Meeting Materials

Prepared by the

Task Force on the Organization of Work

for the meeting of the

Premier's Council on Economic Renewal

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Premier's Council on Economic Renewal

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This list identifies the members of the various working groups of the Task Force. Almost all were multiply committed and over-extended, so the extent of their participation varied over time. Their extensive experience in the subject matter and process skills enabled the working groups to keep moving forward with an ever changing attendance.

Please note: This document has been three-hole punched to make it easier to remove and photocopy individual sections. This copy reflects slight revisions as of June 4, 1993.

Ontario

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May 13, 1993

Dear Council Members:

The accompanying material is work produced by the Task Force on the Organization of Work since its commencement in January, 1992. These products would not have been possible without the volunteer efforts of nearly 100 individuals who contributed thousands of hours of their collective time and experience.

The Task Force has successfully mobilized the efforts of business, labour, consultants and academics, as well as government officials. That so much has been accomplished in so short a time attests to the remarkable cooperation between working group members. Working together has been satisfying and challenging, but not always easy. We have not always found consensus and the various products attached are each at different stages of agreement. On the cover of each are listed the participants who worked on the particular product. Because few individuals could be present at each meeting or every stage of the work, those identified will not necessarily be in complete agreement with this material. Given the volume of material produced, the Task Force itself has not had sufficient time to consider and give formal approval to each document. One product on which considerable time has been spent is a vision statement on the reasons for workplace reorganization and on the desirable characteristics of the workplace of the future. While the different perspectives on this have narrowed, there is still more work to do before an agreed statement can be provided to the Premier's Council on Economic Renewal.

The Task Force recognises that some of the products have already begun to demonstrate their utility and will shortly have their own life. We expect that individuals and organizations will take what has been done and customize it to meet their own needs, which is indeed our aim. Nonetheless, we recognize more work is needed on some of the material to bring it to a satisfactory degree of finality. The Task Force is prepared to continue for a further few months to complete this phase of the work, so that the Council can hopefully have a final report this fall to consider for public distribution.

. . . 2

We recognize that this represents a considerable volume of material to digest before the Council meeting on May 21. An annotated table of contents has been provided to facilitate selective reading according to interest.

Our key message can be distilled into the following three points:

- There are significant changes and advances taking place in work organization and reorganization in some Ontario corporations.

- There is strong evidence that such companies have improved their effectiveness to the benefit of the corporation, the employee, and the customer.

- There is powerful conviction on the part of the members of the Task Force that extension of programs of change in work organization, on a broader base to all sectors of the economy, is important to the economic renewal and social well-being of our Province.

We look forward to your reaction, comments and suggestions to this material.

Walter Curlook
Co-Chair

Fred Pomeroy
Co-Chair

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1. Report to the Premier's Council on Economic Renewal May, 1993

Task Force on the Organization of Work

Background

The Task Force on the Organization of Work (TFOW) began its work in January, 1992 by developing its mandate and initial work plan. It set out to investigate the main characteristics of innovative workplaces and empowered workforces; identify their benefits; assess their impact on Ontario's economic renewal; and promote their adoption by the workplace parties.

It identified a small number of organizations that were reported to be engaged in changing the way they organized work and arranged to visit these sites. From this experience, the Task Force drew some preliminary conclusions and made a narrative and video report to the Council in September, 1992.

The Task Force concluded that the potential contribution of work organization to economic renewal justified an intensification of its work. It decided to broaden its own base of support by creating three working groups composed of business, labour, consultants, academics and several government officials, all with experience in workplace organization. These groups would address the future direction that Ontario should take in the organization of its workplaces and in the process of change; where we now stand and how one could assess the reality as opposed to the rhetoric; and how the Province could make a major shift — a strategy for change.

By mid-November, 1992, the Task Force community had grown from ten to nearly 50 individuals. These members continued to work intensely through to the end of February, contributing thousands of hours of collective volunteer time. New members have joined since the winter, bringing new skills and widening the TFOW circle to nearly 100 individuals. Together, they have constructed most of the products, outputs or "deliverables" that are attached. This serves as a concrete demonstration of one of the most important techniques of disseminating or seeding

change — building and expanding networks of knowledgable, committed people.

The Task Force has already stimulated some tangible interest and movement. Our video is being used to introduce preventive mediation sessions around the Province. We have presented the preliminary conclusions of the TFOW to the Ontario Deans of Business Schools, who are considering changes to curriculum and their academic work organizations. The Sectoral Skills Council is considering using our diagnostic dialogue tool in planned joint worker-employer work organization training. Several agencies of the provincial government have also expressed their willingness to test and use the dialogue tool in their workplaces: the Premier's Councils Secretariat, the Apprenticeship Branch of the Ministry of Education and Training and the Ministry of Labour. The materials have been given to the Ontario Skills Development offices in the Ministry of Education and Training for review and use in the professional development of their 175 field consultants in 47 offices across the Province. Several change process consultants have stated that the draft Organization Change Process model is now a preferred aid in their own practices. The Industrial Accident Prevention Association has expressed its interest in working with the Task Force in communicating to its 70,000 members the important connection between work organization and improved health and safety performance.

Introduction

Author: John O'Grady

Note: This Introduction was prepared to assist the work of the Task Force's Action Planning Group with a definition of work organization in the context of economic renewal. The Action Planning Group endorsed the statement, but the Task Force has not had the opportunity to collectively review and discuss this section.

The place of innovation in the organization of work in the economic renewal of Ontario

1. *The members of the Task Force on the Organization of Work are convinced that broadly-based changes in the way that jobs are designed and work is organized are important to the economic renewal of our Province.* Without these changes there will be an inadequate development of our Province's skill base and a marginalizing of Ontario in the world economy. We regard changes in the design of jobs and in the organization of work as essential features of a skill-intensive restructuring of our Province's economy.

2. *The key to a sustainable prosperity and to economic renewal is the ongoing growth of our productive capacity.* The Task Force understands that increasing

our productive capacity cannot be reduced to any single factor. Among the important determinants of growth in our productive capacity are:

- the availability of capital;
- investment in research and development;
- a macro-economic environment that is oriented to high levels of demand and high levels of capacity utilization;
- a strong and soundly financed public sector; and
- an educated and skilled work force.

These are the broad societal determinants of our province's ability to achieve sustained increases in its productive capacity. In the absence of these growth-promoting factors, the efforts of organizations and companies to increase their productive capacity will be frustrated. *It is equally critical, however, that Ontario's organizations and companies have the ability to rapidly adopt new technologies and to maximize the value and quality of the goods and services we produce. A key determinant of this ability is the way we design jobs and organize work.*

3. Economies that are in the forefront of successfully implementing positive changes in work organization and the design of jobs will have a significant comparative advantage in productivity and will become centres of growth. Implementing such change however, is far from easy. *The members of the Task Force are convinced that we need to take steps to equip ourselves institutionally to make these changes occur.*

4. The members of the Task Force noted two trends. The first is that *many organizations and companies that have adopted a quality and/or customer focus have also expanded the scope of their employees' jobs and broadened their employees' decision-making roles in the workplace. These same organizations and companies have achieved significantly higher rates of growth than those who have not engaged in such practices. They have also provided more secure jobs and better paying jobs for their employees.* The second trend is that *throughout Ontario's economy there is insufficient movement towards positive innovation in the way that jobs are designed ,work is organized and the process of change is undertaken.*

5. The Task Force does not argue that all innovation in the design of jobs or in work organization is positive. On the contrary, changes in work organization that increase the level of stress, reduce employment security, narrow opportunities or diminish employees' control over their work environment are counter-productive. *An organization or company cannot expect increased commitment to quality from its employees unless changes in work organization are also seen by those employees as directly contributing to a better work environment and greater employment security.*

Neither does the Task Force argue that there is a single model or approach to work organization that ought to be adopted across-the-board. It was impressed, however, by several types of work reorganization and job design that contributed both to improving the quality of the work environment and to strengthening the productive capacity of companies and organizations. These included:

- problem-solving teams;
- a structured employee say in improving product or service quality;
- semi-autonomous work teams or semi-autonomous work units;
- sharing information that was previously withheld; and
- turning over responsibilities for planning, problem-solving, coordination and control of the pace of work to employees whose jobs were previously defined in terms of a narrow set of tasks which afforded little opportunity to increase skills and to apply those skills.

The Task Force members were impressed by the fact that these positive changes in the organization of work were accompanied by demonstrable improvements in quality, in productive capacity and in the work environment.

6. *As a result of its work, the members of the Task Force have developed a strong conviction that there are significant gains in Ontario's productive capacity that can be achieved through a broadly-based adoption of changes in work organization.* Beyond the economic arguments for these changes there is also compelling evidence that positive changes in work organization can contribute to important social and human development goals. Changes in work organization and in job design have not always proven to be sustainable. If they are to be durable, these changes must address more than the need to increase our productive capacity. They must also sensitively reflect the changing demographic reality of Ontario. Sustainable changes in work organization will also contribute to improved workplace health and safety and to greater employee control over their immediate work environment. We also believe that positive changes in work organization will widen opportunities for those who have not participated fully or equally in our economy.

7. *The Task Force believes that the widespread adoption of positive changes in work organization is of critical importance to our manufacturing and resource-based industries.* Industries that participate in international markets or compete against imports must move quickly towards skill-intensive, quality oriented methods of production. *Traditional, top-down managerial structures and narrowly defined, task-oriented jobs with limited skill requirements are an impediment to the type of restructuring that our manufacturing and resource-based companies need.* Without positive change in work organization and the design of jobs we will see an erosion of these industries and a consequent undermining of our living standard.

The Task Force is also convinced that innovations in work organization are

important in the public sector. The lag in organizational innovation manifests itself in the supervisory and control overload that is faced by the frontline employee. In the public sector, continued adherence to dated models of work organization exacerbates the Province's fiscal problems, limits the ability of frontline employees to provide the high quality service they want to provide and causes frustration and dissatisfaction among ordinary citizens. *The public sector must change.*

Finally, the Task Force believes that *positive changes in the organization of work are relevant to the knowledge-intensive industries that are important to our Province's future.* Knowledge-intensive organizations require more than an assured access to individuals with advanced skills and more than an increased supply of venture capital. What is also critical to these companies is their ability to develop the capacity of their organizations. The development of organizational capacity goes to the heart of how jobs are designed, how work itself is organized and how the change process is carried out.

8. Changes in work organization and in the design of jobs cannot be imposed. These changes must be undertaken by employers and by their employees. *In unionized workplaces, it is inconceivable that the positive changes our Province needs can be carried out without the full involvement of local unions.* In the public, manufacturing and resource-based sectors, collective bargaining is either common or predominant. In these sectors, an understanding about how positive changes will be framed and implemented is critical to the long term security of workers, companies and organizations. Such an understanding is also important to the long term well-being of our Province. For these reasons we have created a framework for action (see Section 7 below).

2. The Challenge Paper

Task Force on the Organization of Work
Premier's Council on Economic Renewal

Note: This paper was presented as a progress report to the September, 1992 meeting of Council. It summarizes the initial observations of Task Force members following site visits to a number of work places.

What Have We Done?

In its initial activities, the Task Force on the Organization of Work visited a number of innovative workplaces and discovered consistent patterns of innovation. The Task Force was also briefed by labour and corporate leaders, by consultants and by officials from various agencies involved in health and safety and workers' compensation who were exploring the relationship between improved health and safety and improved management practice and work organization.

The Task Force was subsequently assisted in its work by almost 100 different people who participated in several targeted working groups over periods of up to seven months. They represented some of the more innovative workplaces in Ontario, labour organizations, academic institutions, workplace consultants and government officials. These working groups initiated many of the products and processes that comprise the work of the Task Force on Work Organization.

What Have We Found?

In visiting businesses undergoing major work organizational change, with the objective of improving the overall effectiveness of the business, the Task Force observed certain common features and characteristics. There was no single model being pursued, which is not surprising because of the wide diversity in the nature of the businesses visited. However, in all cases, successful change started with a basic attempt to change the company's workplace culture.

Some of the strongest and most common features of the change programs -- in those organizations who feel they have achieved a good measure of success -- are described hereunder.

Need for Champions

To effect significant changes in working attitudes, more particularly to bring about a major change in workplace culture, requires the presence or injection in the

first instance, of motivation and strong leadership. The primary motivation to reorganize functions and schedules in order to improve productivity, quality and costs can come from a variety of sources; but the proper responses must be developed under the leadership of a strong, steady and determined "champion", i.e., from an individual (or individuals) who is (or are) in a position (positions) of authority and responsibility. However, to succeed the champion must have the support and cooperation of a significant faction of his or her co-workers (in an ideal world, he or she would have the support of all).

At most of the sites visited, the champions came from senior management. In the case of the UFCW-Zehrs Training Centre in Cambridge, the initiative came from the union.

Source of Motivation

It is quite clear that in the majority of cases, the primary motivating force to change, i.e., to reorganize for improved effectiveness and competitiveness, was a matter of survival and came about under conditions of considerable duress.

On the other hand, there are a growing number of cases where employees at all levels of the organization are generally aware that there are better ways of working, whereby they can contribute to improving the quality of the operations as well as to the quality of their own work life. More and more, workers at the operations levels are being invited to contribute their ideas as well as their skills; and the resulting feeling of self-satisfaction is in itself a source of motivation for change.

Recognition of Client's Requirements

There is a strong and growing recognition of the needs of the ultimate customer. A client's specifications, quality and service requirements must be met at all times. In addition, one must be cost-competitive in order to succeed and survive. Work must be organized, or reorganized, to meet all of these imperatives, predicated by the customer's needs and demands.

However, the need to meet the requirements of internal customers and clients, i.e., within the organization itself, is being recognized and respected. One department must pass on quality products to the next department, if the final product to be shipped out the door is to be of assured high quality.

Team Work

There were no cases in the Task Force's study where significant change was wrought by a single individual. Various forms of teams were employed, depending on the nature of the business and the scope of the change being effected. In some cases, the teams consisted of management employees only. More generally, the

teams had representatives from two or more levels of the organization. In many cases, all of the employees affected by the change were represented on the teams. Some of the more effective teams consisted of members from the operating floor working with members from staff groups.

In the background, behind the most effective teams, was a strong supportive champion. One of the concerns and questions raised was: "Does the spirit and willingness for teamwork disappear if the champion is removed or replaced?"

Empowered Employees

The Task Force members looked for examples of "employee empower-ment"; and each member had a different idea as to how such empowerment would manifest itself -- a not too surprising fact when it comes to appreciation of such a broad concept with a potentially profound impact on the functioning of a business or institution.

The general consensus is that in Ontario we are seeing only the preliminary stages of implementation of what could rightfully fall under the caption of "employee empowerment". These early stages are characterized by:

- workers are organized into teams;
- the team leader is usually not the "boss";
- the traditional "boss" serves as a facilitator;
- decisions are arrived at through consensus;
- recommendations could involve reorganization of work programs, re-scheduling of hours of work, and requests for capital investment in new equipment or technology;
- all members of the team participate in the implementation of agreed to changes, and share in the responsibility for pursuing successful completion of projects; and
- all members are rewarded through the recognition and satisfaction of achievement.

A notable threshold is crossed when the team members function without an overseer, i.e., without a superior; but are responsible directly to the mangers of the department or plant.

There was the case of a diamond driller who felt (because his wrists were giving him such problems that he was seeking medical attention) that his labour-intensive pneumatic drill could be replaced by a modern hydraulic semi-automated machine. He researched the availability of new machines with the assistance of an engineer and a purchasing agent, visited two different models at work in other companies' mines, and finally selected the machine that would meet his stipulated requirements, most efficiently. Of course, he had the support of his manager, who had approved his travel and other expenses and eventually approved the purchase

order.

True employee empowerment can only be attempted where the workplace culture is such as to invite it. It is not unnatural to find both company managers and union leaders resisting such programs, because in both instances, their authoritarian roles can be perceived as being threatened. Some of the better examples of employee empowerment were found in unionized workplaces, where both the company and union were dedicated to the concept of ongoing improvement programs as the basis for continued success.

Mini-Factories

The establishment of teams and the implementation of various measures of employee empowerment lead, quite naturally, to the concept of self-reliant production units, simulating internal "mini-factories". The unit assumes responsibility for production, productivity, safety, quality and unit costs of the "product" that it sends on to the next department (intra-company customers) or to outside customers. In several cases, management stated that they should have involved the union at an earlier stage of the program.

Focused Training and Skills Upgrading

Almost without exception, work reorganization was accompanied by ready accessibility of training programs. What was most impressive was the highly focused nature of training. Employees focused on those programs that would first help them do their current jobs more effectively, and second, prepare them for their next job or promotion. In most instances the employees selected the training programs, either from in-house or from outside; and in most instances received strong support from management and from the union.

It was interesting to note that many of the training programs were conducted and led by company employees familiar with the company and with first hand experience on-the-job. Very little reliance was placed on outside professional experts, except for training-the-trainer.

On-the-job skills training is becoming a shared responsibility between the company, employee and union.

It becomes more and more apparent that our educational institutions should concentrate on providing a full, sound, fundamental and general training, i.e., provide a solid knowledge base; while the business institution must provide the specialized ongoing training.

What About Rate of Progress?

Major work reorganization which relies on a major change in company

workplace culture, undergoes a significant gestation period before people really pull together and measurable results are achieved. This period of gestation can last anywhere from 12 to 24 months. Observable improvements begin to flow in years three, four and beyond. By year five, a program could be in full bloom, wherein ongoing improvement is a way of life and there is no going back. At this point, there should be less danger that the new way would be aborted if the original champion is removed.

What About Level of Progress?

Quantum improvements in productivity, safety, quality, costs and overall competitiveness have been achieved. The more successful endeavour are characterized by strong ongoing programs of improvement, satisfied employees, and harmonious relationships between management, employees and unions.

Recognition and Rewards

Achievement is recognized in many different ways. In the first place, the employee's self-esteem is elevated. The fact that he or she has contributed ideas and efforts that have turned out to be of special value, before his or her peers, is a source of great personal pride and satisfaction.

In some organizations, exposure to the outside world is a form of recognition. For example, having the opportunity to describe the team's achievements to outside visitors is a significant honour. Being written up in the company newsletter is a common form of recognition. Being sent outside to visit other organizations whether they be customers, suppliers or even competitors, is a highly appreciated form of recognition. Attendance at conferences is yet another form of reward, particularly when it involves travel away from home.

The question of monetary rewards, i.e., some form of monetary bonus to recognize team achievements is still outstanding. It seems that fair compensation and a good measure of job satisfaction are the basic requirements to maintain the interest of employees in pursuing ongoing programs of improvement.

All of the work reorganization and improvement programs proceed with less stress and strain if job opportunities are not at risk. Job security is most highly valued.

Total Quality Improvement

The ultimate work organization would have employees at all levels involved in improving all aspects of the work and business on an on-going basis.

What the Task Force uncovered, in general, were partial advances in all three aspects. The "ideal" workplace still awaits us.

Reduced Hierarchy

Through delegation of more responsibility to lower levels of the organization, it has been possible to reduce the number of levels of authority. In several cases, firstline supervisors have been eliminated, while in other cases the role of the supervisor has been changed to that of "facilitator". In some situations the managers have been removed and replaced by working team leaders; and in several others the overall management structure has been flattened. In all cases, more and more responsibility has shifted from employees in administrative offices to those in production workplaces.

In a small company one can have as little as two levels: worker and owner-manager. In large organizations one can strive for, and we have seen cases of, a maximum of four levels: production worker, manager-facilitator, vice-president of a major division or function, and president (general manager).

Stresses and Strains

Given that most work reorganizations were born under conditions of considerable duress, and under the pressing desire and need to survive, it is not surprising that the process of change was often associated with considerable stress and strain on the business enterprise, most particularly on individual employees.

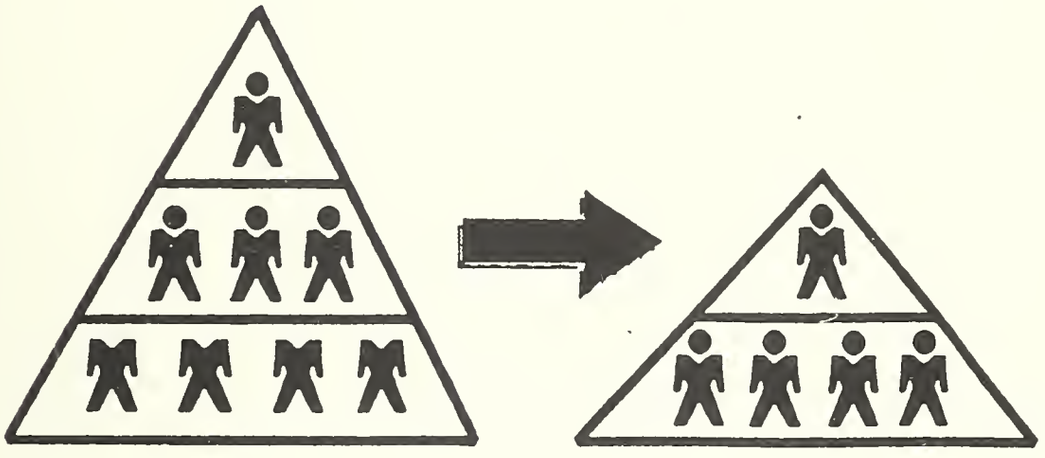
In situations where the employees were unionized, it was obvious that real progress in work modification or reorganization could not be made without the cooperation of the union. Clearly, the union's cooperation can only be assured if the company is willing to share openly and fully, inside information relating to the financial straits and competitive realities of the business.

There was a notable exception, where the stresses and strains seemed to be absent, or to have been overcome. The UFCW - ZEHR cooperative training and skills upgrading programs, although of limited scope, were advancing in a progressive and happy mode, to the apparent satisfaction of the company, union and employees. Another example but much broader in scope is the Inco Thompson story. At this integrated mining, milling, smelting and refining facility, the overall program of Total Quality Improvement is well into its sixth year, and a great level of trust and cooperation has been established between management, the United Steel Workers' union leadership and employees at all levels. Virtually hundreds of improvement teams have, over the years, produced significant, measurable improvements in safety, productivity, quality of products, environmental awareness, costs and quality of work life. Employee self-confidence, self-esteem and general satisfaction are, in fact, visible to the outside visitor. Management and union leadership admit that support of their respective members, for cooperative team programs and employee empowerment, is not 100 per cent; however, it is high and still growing. Management admits that it would have enlisted the support and involvement of the Steelworkers' representatives, at the very launching of the new

"Deming" work philosophy, if it were to do it over again.

In none of the very different situations of major work reorganization observed by the Task Force, in spite of any past and residual stresses and strains, and whether unionized or not, would the employees go back to the old ways of "boss-worker", "we and they". The majority of employees like coming to work "with their heads on".

THE CHALLENGE



This above graphic came to the attention of the Task Force in the course of a site visit. It seemed to capture some of the key messages that the Task Force wishes to convey. Specifically, it illustrates the importance of recognizing and drawing upon workers' knowledge, skill and interest in the affairs of their organization. There is also the inference that there is a need to reduce unnecessary supervision and put more decision making in the hands of those who know best. It has been pointed out, however, that the graphic could be seen by some as indicating that organizational change leads necessarily to reduced employment levels.

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Section 3

Quantitative Measures from Organizations Undergoing Major Change in the Way Work is Performed

A Survey of Eighteen Canadian Workplaces

Marty Kaplan

and

Tom Rankin

May, 1993

Note: *This report has been prepared by two consultants who have played active roles in Task Force working groups. The survey was conducted to quantitatively assess the impacts of major change on how work is performed related to five key performance indicators (costs, human resources, labour management relations, productivity and quality). The paper is a first draft of work that has not been reviewed by the Task Force.*

Summary

This report examines the impact of new forms of work organization in eighteen Canadian workplaces (or individual work establishments) who were part of 15 companies, primarily in the manufacturing sector. Fourteen of the workplaces were unionized. In four cases, a new form of work organization was designed into the workplace from its inception.

Data was gathered using a survey and telephone interviews. Most organizations reported gains, sometimes very substantial ones, on five indicators (quality, productivity, costs, human resources and labour management relations). The findings are consistent with popular literature and highlight the need for further research.

While caution must be taken in generalizing too far based on this study, the overall results are impressive and warrant serious consideration.

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(1) Introduction

This study was carried out on behalf of the Task Force on the Organization of Work of the Premier's Council on Economic Renewal. The purpose of the study was to assess the quantitative impacts of new forms of work organization. Little survey research on this topic has been carried out in Canada. While there have been numerous case studies, most of the cases have focused on the change process or "best practices" and have reported primarily anecdotal data.

The report is divided into five sections and two appendices. Sections two and three describe the study methodology and the participating workplaces. Section four summarizes the key findings and presents the aggregate study data for five indicators: quality, productivity, costs, human resources and labour management relations. For some indicators, data from specific workplaces has been highlighted to illustrate unique points or exceptional gains. The final section offers some comments and observations on the study findings. The appendices provide more details on the survey data and the participating organizations. The data has been presented with some omissions to ensure the anonymity of the respondents.

(2) Methodology

The workplaces participating in the survey were drawn from a list generated by individuals associated with one or another of the working groups of the Task Force on the Organization of Work. The list was made up of organizations believed to have at least one year's experience with workplaces characterized by greater worker participation in decision- making, increased information sharing, greater emphasis on quality and customer needs, etc.

An eight-page survey and accompanying letter was sent to twenty-eight organizations across Canada. These were followed by telephone discussions to clarify any issues and solicit participation. Fifteen organizations agreed to participate. The primary reason given for non- participation was the one to two week time frame in which a response was required. Five organizations had more than one workplace participate; two had five, three others had two each. For the two organizations with five sites, aggregate data was reported; therefore each organization has been counted as one workplace. For the three organizations with two sites, the data was reported by site. These were counted as six separate workplaces. At another organization, all the employees of one unit in the organization were counted as a single workplace, even though the employees actually work at many geographically dispersed sites.

The surveys were completed via telephone interviews ranging from 30 to 90 minutes. While the surveys provided examples of the type of measures sought, respondents were asked to provide the measures they were using to assess the impact of their change process. Respondents were not asked to gather new data nor reinterpret existing data. In all but three cases, the interviews were done with

management. In the other three cases, management and union officials were interviewed jointly.

The data was analyzed primarily in terms of the number of workplaces experiencing a percent change in a certain indicator (e.g., quality) between two time periods - prior to introducing change and the most recent period for which data was available. Where a "new" form of work organization was designed into an organization from its start, the data was compared to a "comparable traditional" organization wherever possible. Some indicators were measured quite differently across workplaces, but were always consistent within each workplace.

(3) Respondent Profile

Charts 1 - 7 provide a profile of the eighteen workplaces who participated in the study.

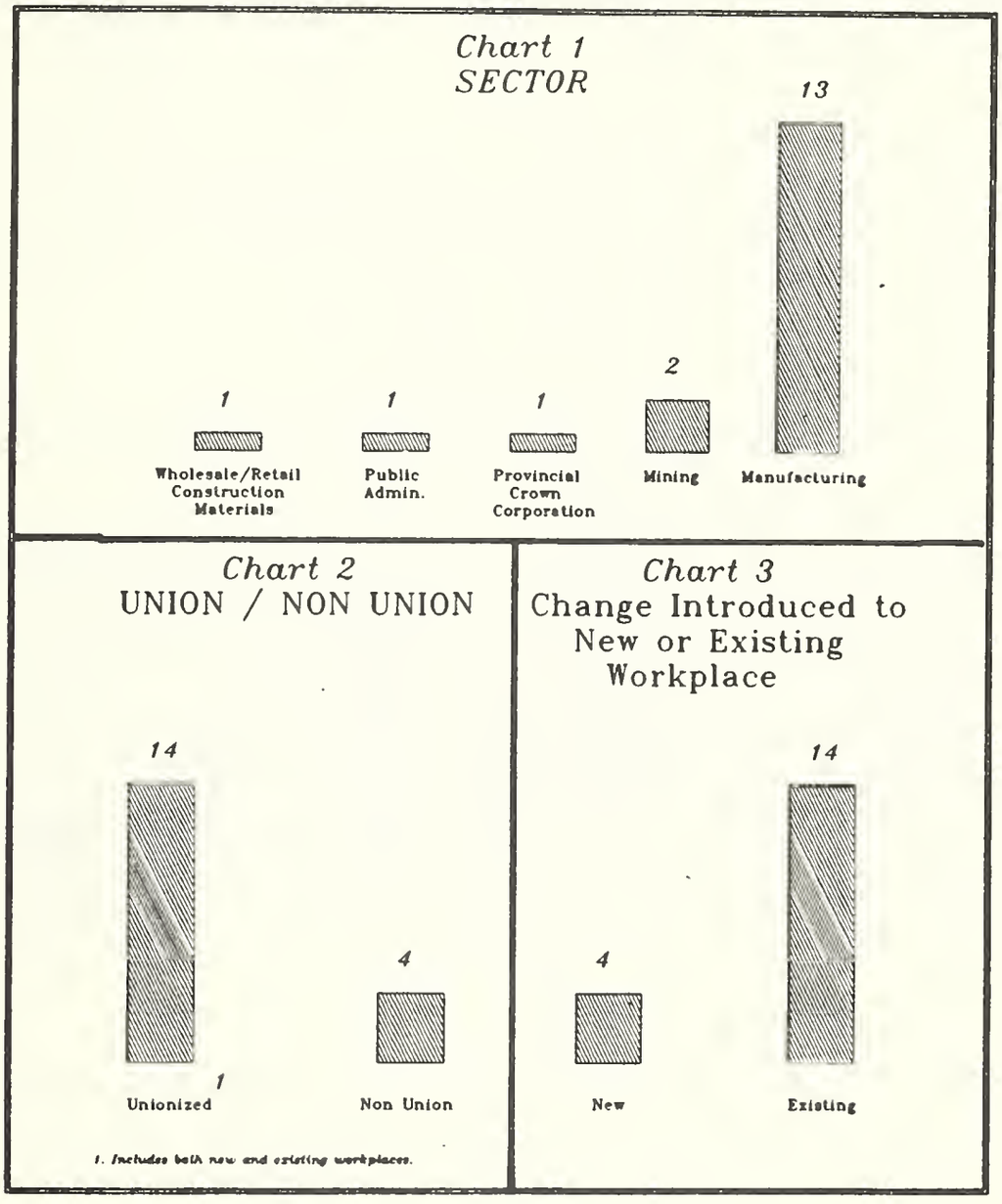


Chart 4
Number of Employees at Workplace

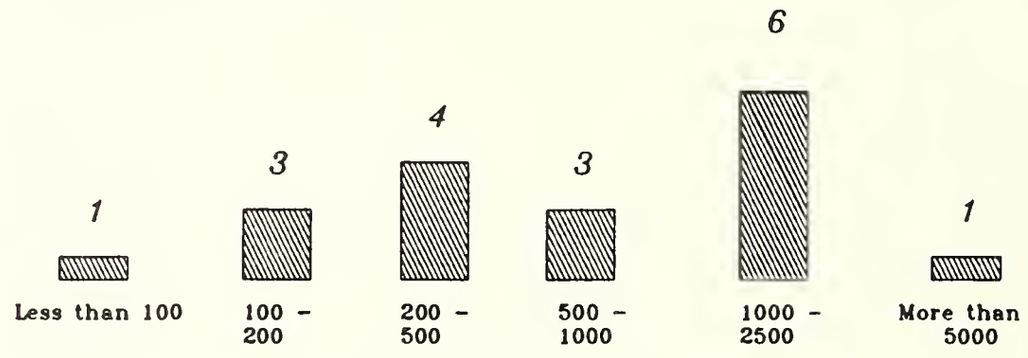


Chart 5
Per Cent of Employees at Workplace Affected by Change

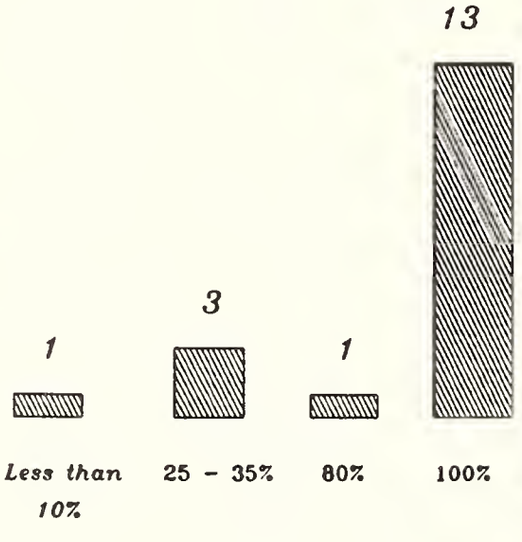


Chart 6
Time Involved In Change

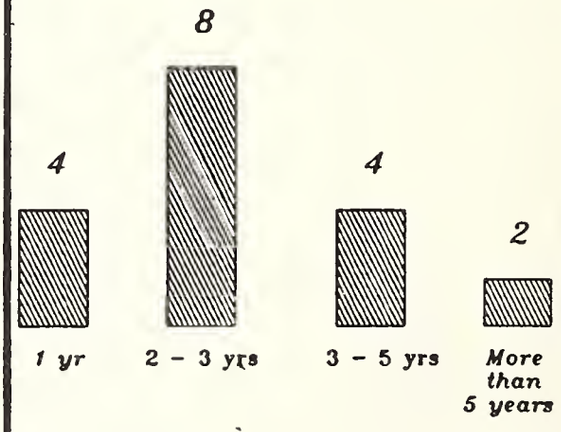
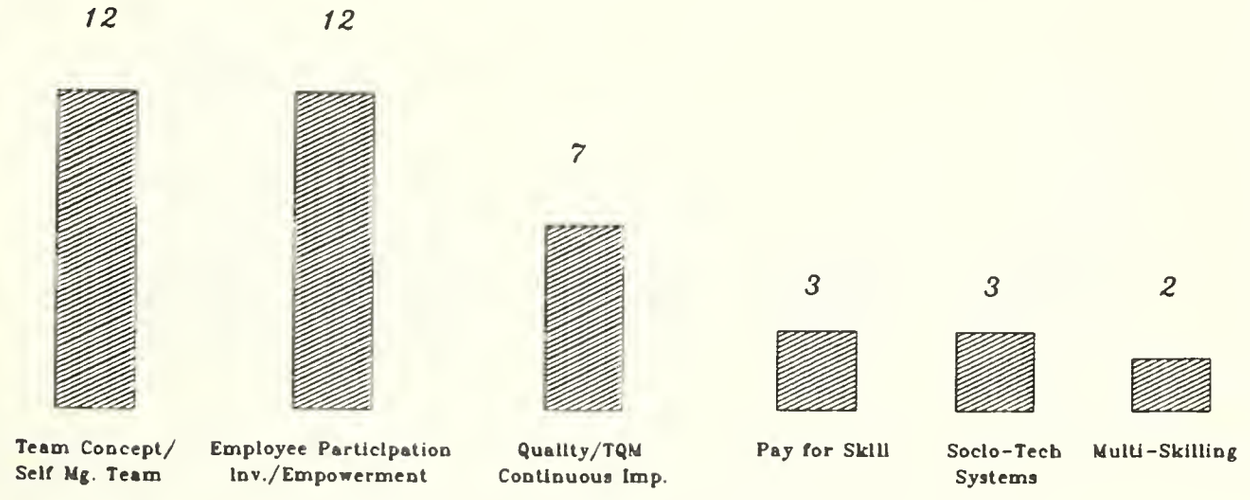


Chart 7
Most Frequent Terms Used to Describe Change[1]



1 **Several workplaces used two or more terms to describe their change effort.**

(4) Findings

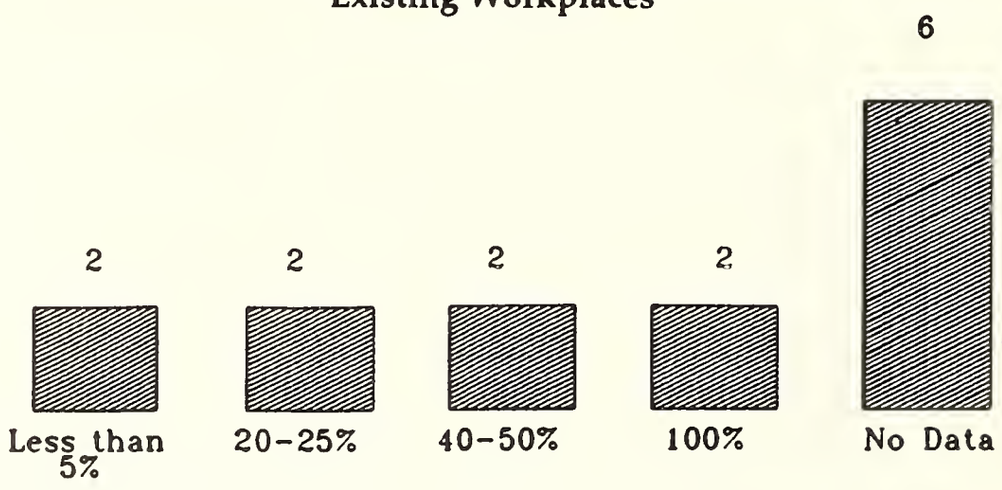
Quality

Significant improvements were experienced in quality as shown by the following indicators:

(i) Customer Satisfaction

Six of the eight existing workplaces reporting data experienced improvements. One improved its industry ranking, in an independent survey of customer satisfaction, from number eight to number one. The two public sector workplaces reported increases of 100 per cent and 21 per cent. Measures of customer satisfaction included: number of customer complaints, percentage of customers satisfied or very satisfied on a five-point scale, per cent of customer orders 100 per cent filled and percent of on-time deliveries.

Chart 8
Per cent Increase in Customer Satisfaction
Existing Workplaces

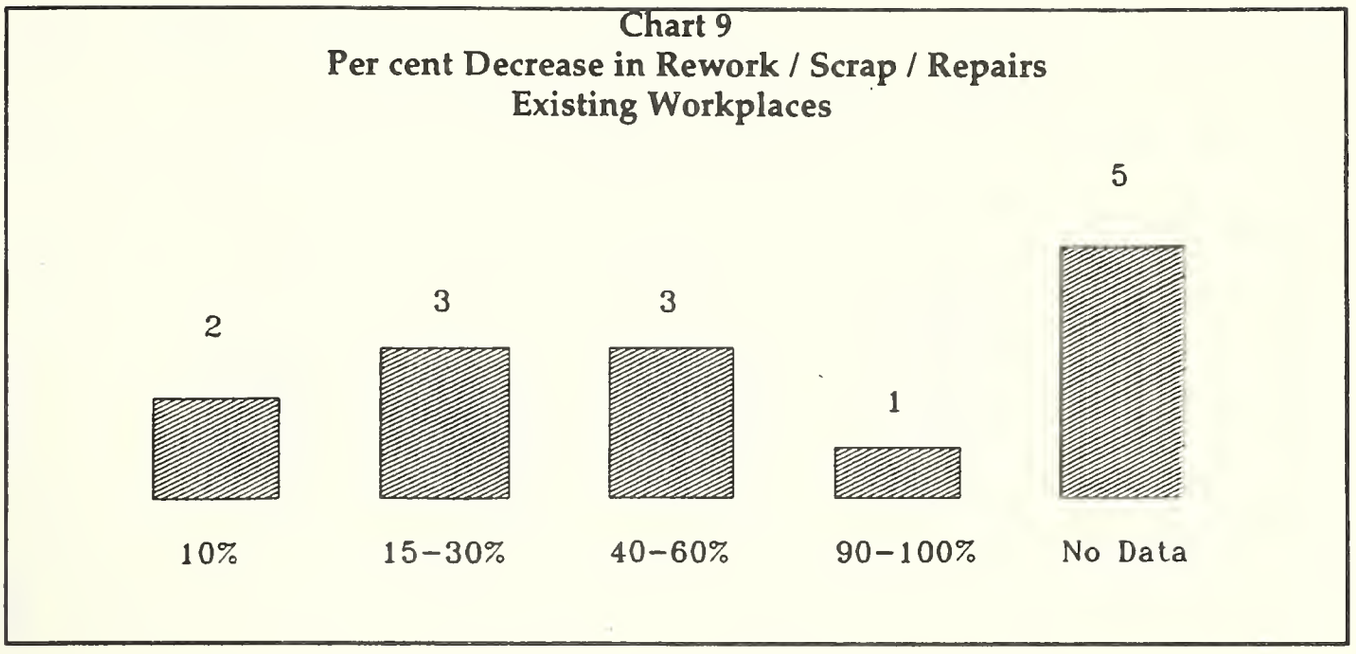


All four new workplaces reported data. One actually experienced an increase over the past four years in the number of customer complaints, while being ranked at the same time as the 1992 number one company in its industry in North America with respect to customer service. The workplace chose to develop a closer working relationship with its customers. In doing so, it surfaced, and resolved, more customer complaints. The second new workplace reported its customer claims, as a percent of sales, to be 75 per cent less than a comparable traditional facility. The third new workplace reported it's number of returns to be "significantly less" than a comparable traditional facility, but did not provide any quantitative data. The fourth new workplace reported its score on a composite service factor to be slightly below that of a comparable traditional facility. The poorer performance was attributed to start up problems.

(ii) Rework / Scrap / Repairs

All nine of the existing workplaces reporting data experienced improvements. One was ranked best in its company world wide.

Two new workplaces reported data. One indicated the amount of rework was five to seven times less than that in comparable traditional plants. However, much of this advantage was attributed to new technology. The second reported that the facility was able to exceed its scrap and rework targets (based on comparable traditional facilities) continually over a ten year period.



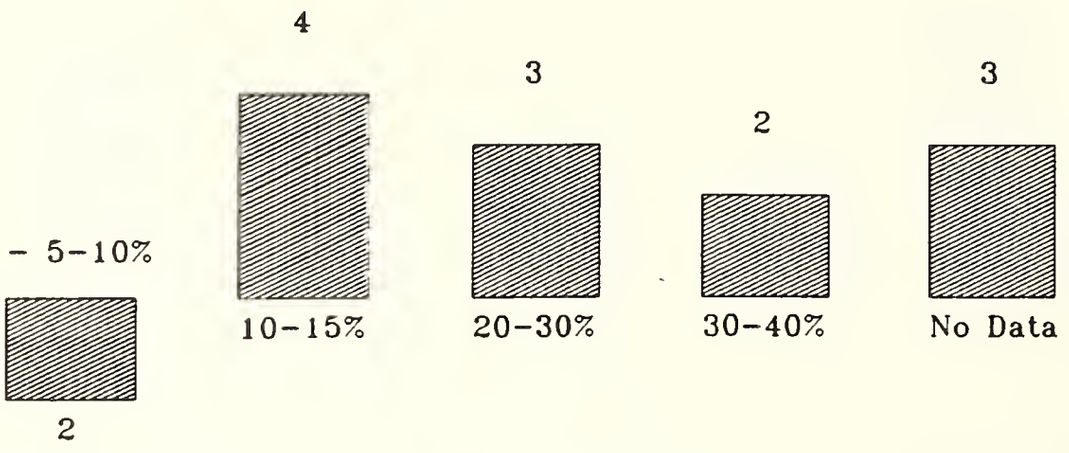
Productivity

Measures of productivity varied considerably according to industry and across technologies. However one point was consistent. Significant productivity improvements were experienced as evidenced by the following indicators:

(i) Volume of Production Per Employee

Nine of the eleven existing workplaces reporting data experienced notable increases. In two cases volume per employee declined, but these unexpected results were a result of unusual circumstances. In one case, efficiency was intentionally lowered temporarily in order to increase quality and reduce accidents. Both these goals were achieved. Management expects that as the organization change process takes root, efficiency will return and surpass previous levels. In the second case, the workplace's measurement system had not yet been altered to take into account a different and more customer-focused definition of productivity. Management and union both felt the employees were, in fact, more productive in the new way of working.

Chart 10
Per cent Increase in Volume of Production Per Employee
Existing Workplaces



Data from the new workplaces is just as dramatic. One facility was 33 per cent above its target (based on traditional comparable facilities) after six years of operations, and since then, has achieved annual increases of five to eight per cent. A second had a 21 per cent advantage over "sister" plants, though much of this is attributed to new technology. And a third was 50 per cent more productive than a comparable facility with similar technology. The fourth new workplace did not report volume of production per employee.

(ii) Other

Other measures of productivity were either unique to a single workplace or fell into groups of only two or three responses. The impacts were consistent with those reported above. For example, in two cases working capital was reduced by 37 per cent and 65 per cent. In three other cases, capacity utilization jumped 5.5 per cent, 20 per cent and 31 per cent. In one case the number of inventory turns improved to "best in class" - almost three times the industry average. In one case, work in process has fallen by 11 per cent and was half the industry average. In one workplace, equipment up-time is 10 per cent above industry average. And finally, in one workplace, sales dollar per employee increased 29 per cent, while manufacturing cycle time fell 96 per cent.

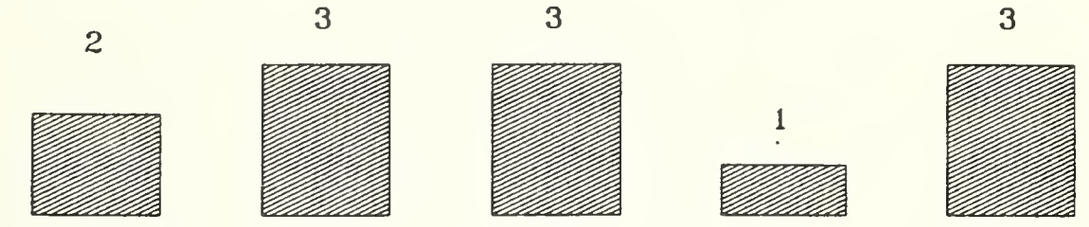
Costs

The limited data shows a positive effect as indicated by the following measures. It would appear that the longer the change process is in place the more substantial the gains.

(i) Unit Production Costs

Seven of the nine existing private sector workplaces reporting data experienced a decline in unit production costs. The three cases with the highest gains had all been involved in their change process longer than the others reporting data. Three of the four new workplaces reported cost advantages of 40 per cent, 25 per cent and 6 per cent relative to comparable traditional facilities. The last workplace achieved this advantage despite having significantly higher wage rates than its competitors.

Chart 11
Per cent Decrease in Unit Production Costs
Existing Private Sector Workplaces



(ii) Other Costs

Four workplaces reported data on labour costs; in three cases it decreased, in one case a slight increase was noted. Four workplaces reported data on maintenance costs - three recording decreases (2 per cent, 15 per cent and 20 per cent) and one, no change.

In addition to the above cost data, two workplaces reported additional financial data in the form of value-added per employee (revenue minus the cost of purchased inputs except labour). One showed an increase of 17 per cent; the other an increase of 86 per cent.

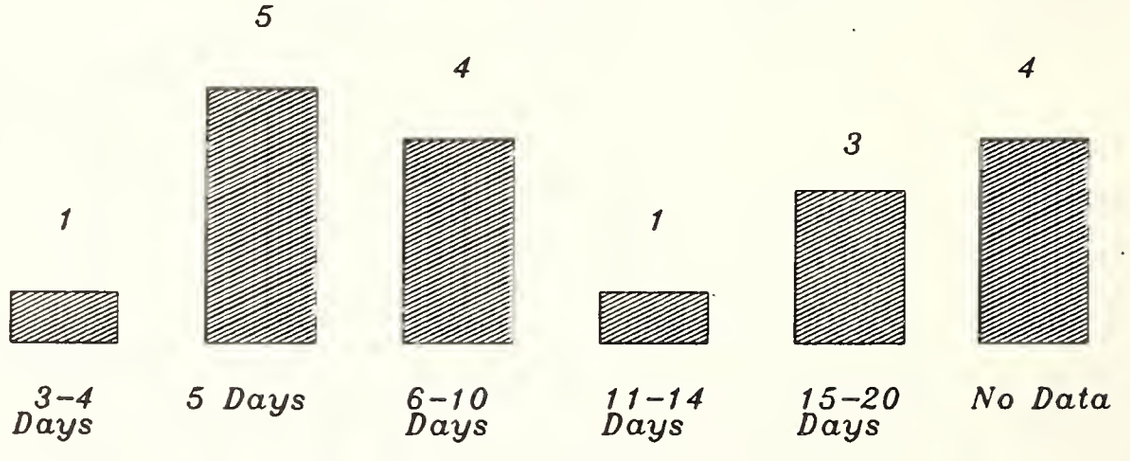
Human Resources

The evidence indicates a positive effect on human resources as demonstrated by the following five indicators:

(i) Training

Prior to change, employees in existing workplaces typically received between one and two days training per year. Three of the four new workplaces reported similar levels for their comparable traditional facilities. The fourth did not provide comparison data. As shown in Chart 12, the current number of training days/employee in the workplaces surveyed ranges from a low of three to four days to a high of 15-20 days per year. In addition, three of the workplaces currently investing five training days/employee/year intend to increase this number to ten in the next year. No systematic data was gathered on the type of training. However, several respondents indicated training included both technical components (eg.; how to operate a machine, safety, how to perform a quality test, etc.) and social components (eg.; problem solving, communications, group decision making, etc.).

Chart 12
Current Number of Days Training Per Employee Per Year

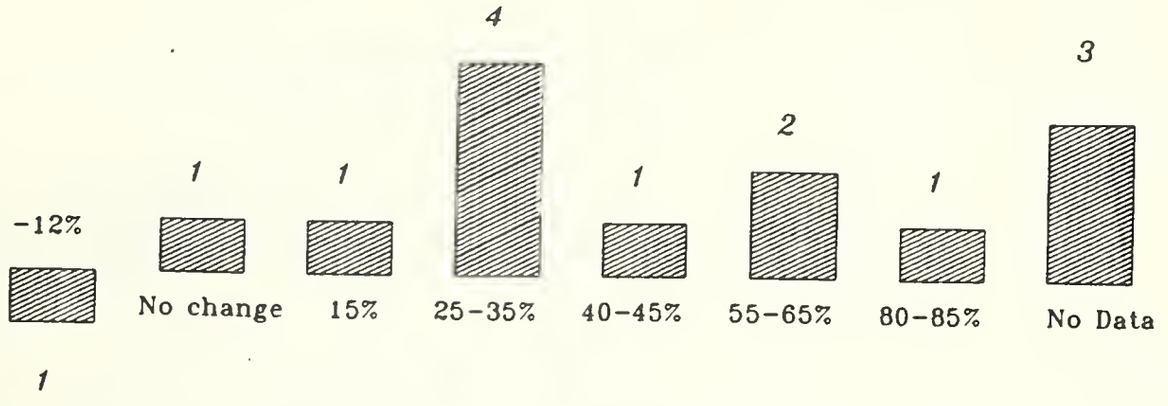


(ii) Lost Time Accident Frequency

Nine of the eleven existing workplaces reporting data experienced impressive reductions. One reported no change and one workplace reported an increase. Union and management attributed the increase to severe winter weather as much of the work is performed outdoors.

Three of the four new workplace reported frequency levels of zero. One had maintained this level over the last three years and ranked itself best in its industry. The fourth new workplace did not report any data.

Chart 13
Per cent Reduction in Lost Time Accident Frequency
(Number of Incidents/200,000 Work Hours)
Existing Workplaces

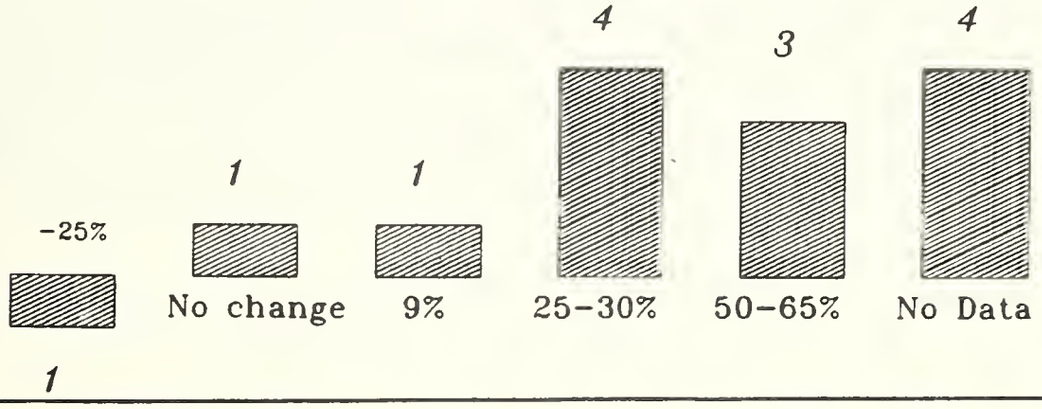


(iii) Lost Time Accident Severity

Eight of the ten existing workplaces reporting data experienced a decrease; seven of these were 25 per cent or greater. One workplace reported no change, while one reported a 25 per cent increase. As mentioned above, this was attributed to severe winter weather.

Three of the four new workplaces reported zero days loss for the most recent year. One, a unionized manufacturing facility had maintained this level over the past three years. The fourth new workplace did not report any data.

Chart 14
Per cent Decrease in Loss Time Accident Severity
(Days Loss/200,000 Work Hours)
Existing Workplaces



(iv) Employee Attitudes

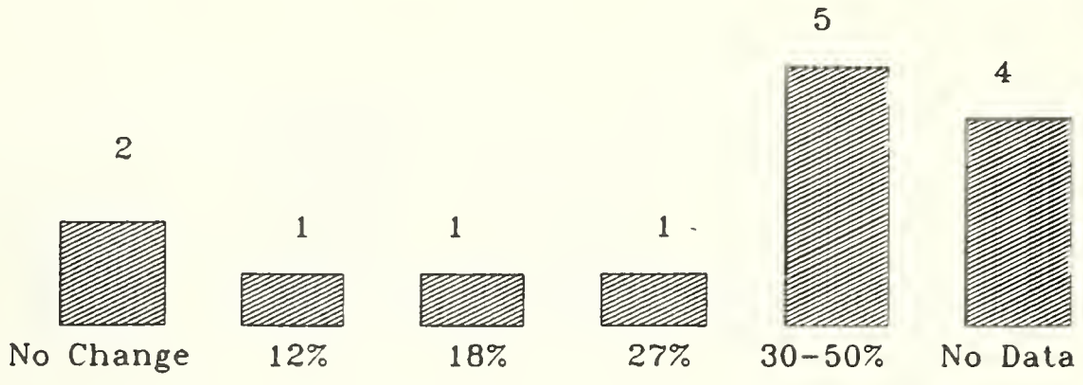
Nine workplaces reported using surveys of employee attitudes. In two cases, the data had not yet been analyzed. In two other cases, no figures were reported, but the respondents indicated significant improvements in attitudes between two administrations of the same survey. The five remaining cases provided summary data which is highlighted below.

Workplace #7	Mean score in the top decile on the Hay Employee Attitude Survey.
Workplace #12	Mean "overall job satisfaction" score increased from 5.1 to 6.9 on a ten-point scale, on a survey designed specifically for the worksite.
Workplace #15	Per cent of satisfied or very satisfied responses to questions on a five-point Hackman Oldham Job Diagnostic Survey increased from 52 per cent to 65 per cent.
Workplace #16	Scores on the five-point Human Resources Index developed by Florida Atlantic University increased from 2.98 to 3.20, a statistically significant change.
Workplace #18	Percentage of employees rating themselves, as satisfied with their jobs increased from 85 per cent to 92 per cent on an employee attitude survey.

(v) Absenteeism

Ten of the existing workplaces reported absenteeism data. In eight cases reductions were reported; in two cases there was no significant change. The four new workplaces compared their data with comparable traditional facilities. In three cases, the absenteeism rate is currently at least 50 per cent less in the "innovative" workplaces. In one of these, this gap had been sustained for 10 years. In the fourth new workplace there was no significant difference between the innovative and traditional facility.

Chart 15
Per cent Reduction in Absenteeism
Existing Workplaces



Labour Management Relations

The evidence indicates a positive effect on labour management relations as demonstrated by the following three indicators:

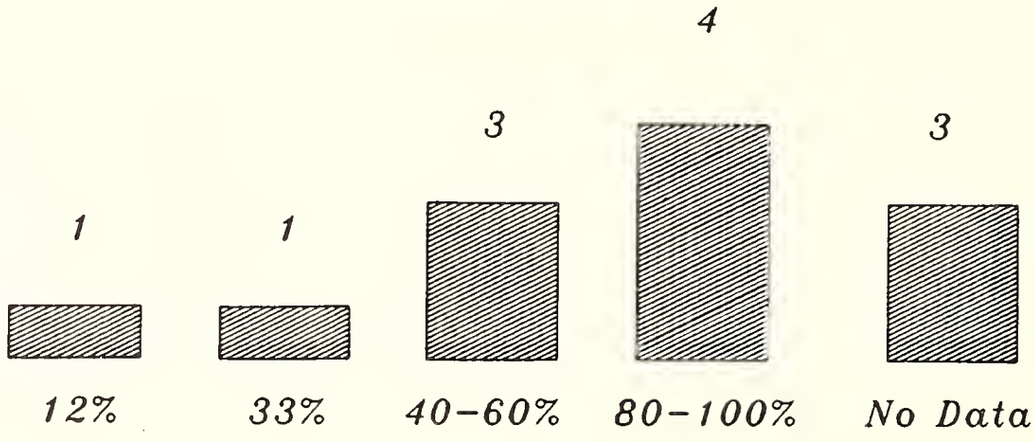
(i) Grievances

All of the existing unionized workplaces who provided data experienced a reduction in the number of grievances (Chart 16). In one workplace, the number of grievances prior to the change (2) and current (0) were judged to small too be included.

In one unionized new workplace the average number of first stage grievances was less than one per year, over a 15 period. This compares to 25 - 30 per year in a similar traditional facility.

In non union cases too little quantitative data was reported to be included; however, most respondents indicated formal problem resolution procedures were in place and working effectively.

Chart 16
Per cent Reduction in Number of First Stage Grievances
Unionized Existing Workplaces



(ii) Arbitrations

In unionized workplaces, with one exception, there were no significant changes in the number of arbitrations. There were generally very few arbitrations, both prior to the change and currently. The one exception was a large manufacturing facility where the number of arbitrations dropped from 12 in 1988, to zero in 1992. One unionized new workplace had not recorded an arbitration in its 15 year history.

(iii) Information Sharing and Problem Solving

All respondents reported significant increases in the number and variety of meetings for information sharing and joint problem solving among management, union representatives and employees. Some increases were relatively easy to quantify. For example, in one workplace the number of formal union management meetings had gone from two a year, to two a month. In another existing manufacturing facility with 150-200 employees, union and management reported that 40 per cent of all employees are currently active in some sort of committee (e.g., environment, wellness). This was in addition to their broader involvement in day-to-day operational issues. In most workplaces surveyed, information sharing and joint problem-solving appears to be becoming "a way of life".

(5) Comments and Observations

Substantial gains were recorded in all five indicators. Widespread improvement of this magnitude would make a major contribution to the economic renewal of Ontario.

However, at least three cautions must be considered when assessing the significance of the study findings. First, it is unclear exactly what sort of organization change took place in the various workplaces. Terms like "work teams" mean different things to different people. Since operational definitions were not provided, it is very doubtful that the same terms were used in a consistent manner across the workplaces. Accordingly, it is possible that some of the workplaces in the sample might not conform completely to the type of change in work organization advocated by the Task Force.

The second and third cautions have to do with the generalizability of the findings. Eighteen workplaces is too small a sample from which to draw any definitive conclusions. More important, innovating workplaces were not randomly selected to participate in the study. Indeed, one conscious goal of the selection process was to find some workplaces known to have achieved positive results. It is, therefore, questionable whether the findings are fully representative of other workplaces, who may have a variety of reasons for being less public about their experience.

Despite these cautions, the findings are consistent with reports in the popular press (e.g., "The Payoff from Teamwork", Business Week, July 10th, 1989) and highlight the need for more and better research on this subject[1].

Unfortunately, the findings offer limited insight into the crucial question of whether or not existing workplaces are able to sustain and improve upon the above benefits over the mid and long term. The majority of existing workplaces in the study sample had three years or less experience with their change processes.

Two final observations are particularly interesting. Thirteen of the eighteen workplaces reported that 100 per cent of their employees were involved in the change. This fact is in marked contrast to the situation as little as five to 10 years ago when change programs tended to be confined to individual departments or sections. This shift suggests the organizations in our sample have become more serious about change and are beyond the "experimentation" stage.

Finally, a few respondents commented that it was difficult to separate the effects of technological and organizational change. They went on to say that they would not have realized the benefits of new technology without corresponding changes in work organization. This is consistent with the socio-technical systems' approach to organization design and development and recent empirical research on the relationship between technology, work organization and organization performance[2].

---

1. (See for example, Macy, B.A., Izumi, H., and Smith, R.R. "Organizational Change: A Meta-analysis of North American Field Experiments." in R. Woodman and W. Pasmore (Eds) Research in Organizational Change and Development, JAI Press, forthcoming.)

2. See for example, Kochan, T., "On the Human Side of Technology", TCL Technical Journal, November, 391-400, 1988.

APPENDIX A - Detailed Survey Data

Training Days Per Employees Per Year

Workplace	Pre	Current
1	-----	-----
2	-----	8
3	3	6
4	1	5
5	1	5
6	-----	5
7	-----	-----
8		
9	-----	15
10		15
11	-----	5
12	2	7
13	3.6	12
14	1.5	3.5
15	0.5	5
16	-----	-----
17	-----	20
18	0	6
19	-----	-----

Loss Time Accident Frequency
(Number of Incidents Per 200,000 Work Hours)

Workplace	Pre	Current
1	0.9	0.4
2	2.3	1.5
3	-----	-----
4	18	12
5	15	6
6	-----	0
7	5.5	1
8		
9	-----	0
10	-----	0
11	13	11
12	-----	-----
13	6.6	6.4
14	14.25	16
15	-----	-----
16	0.7	0.4
17	-----	-----
18	0.14	0.10
19	5.3	4.0

Lost Time Accident Severity
(Number of Days Lost Per 200,000 Work Hours)

Workplace	Pre	Current
1	18	14
2	300	130
3	125	89
4	388	352
5	220	160
6	-----	0
7	-----	-----
8		
9	-----	0
10	-----	0
11	618	610
12	146	57
13	5	4.4
14	14.25	16
15	-----	-----
16	-----	-----
17	-----	-----
18	-----	-----
19	188	68

Days Absent Per Employee Per Year or % Absenteeism Per Year

Workplace	Pre	Current
1	22 days	12 days
2	3.8 %	2.6 %
3	6.5 %	5.7 %
4	20 days	20 days
5	7.5 %	3.8 %
6	-----	2 %
7	-----	-----
8		
9	-----	6.5 days
10	-----	1 %
11	-----	-----
12	4.8 %	3.5 %
13	10 days	6 days
14	13.7 days	13.8 days
15	3.9 %	2.6 %
16	-----	-----
17	-----	3 %
18	11 days	9 days
19	-----	-----

Number of First Stage Grievances Per Year

Workplace	Pre	Current
1	230	135
2	1,600	1,400
3	110	6
4	300	42
5	40	20
6	-----	-----
7	-----	-----
8		
9	-----	-----
10	-----	-----
11	-----	-----
12	-----	-----
13	10	1
14	2	0
15	50	10
16	30	12
17	-----	-----
18	30	20
19	-----	-----

Number of Arbitrations Per Year

Workplace	Pre	Current
1	6	6
2	6	5
3	12	0
4	0	0
5	2	1
6	----	----
7	----	----
8		
9	----	----
10	----	----
11	----	----
12	----	----
13	----	----
14	0	0
15	1	0
16	1	0
17	----	----
18	3	1
19	---	---

APPENDIX B - Participating Organizations

Ault Foods Limited

Beaver Lumber

Consumers Glass

Department of National Defence

Ford Electronics Manufacturing Corporation

GSW Water Heating Company

General Electric Ltd.

Glaxo Canada Inc.

Inco Ltd.

Levis Strauss and Company

Manitoba Telephone System

Molson's Brewery

Phillips Cable Ltd.

Saskatoon Chemical

Shell Canada

Section 4

Direct and Indirect Evidence on the Extent of Changes in Work Organization in Canada

Prepared for the Task Force on the Organization of Work

Premier's Council on Economic Renewal

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May 1993 (Revised)

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This paper is a review of current surveys and literature on human resource practices. It was undertaken to assess the likely extent of innovative change in work organization in Canada. It has been reviewed and accepted by the Task Force.

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Direct and Indirect Evidence on the Extent of Changes in Work Organization in Canada

Abstract

This paper reviews survey evidence that either directly or indirectly gauges the extent of changes in job design and work organization. Among the indirect indicators that the paper examines are: the adoption of advanced manufacturing technologies, the use of computer-based technologies, the incidence of employer-sponsored training and systems of remuneration, such as pay-for-knowledge, that are frequently indicative of basic changes in job design and work organization. The direct evidence that is examined includes the incidence of quality circles, semi-autonomous work groups, job enlargement, labour-management committees and other uncategorized problem-solving innovations.

The paper concludes that between 8 per cent and 16 per cent of workplaces have moved towards more skill intensive forms of job design and work organization. In the manufacturing sector, there is evidence of a probable lag in comparison with the United States.

The paper also notes that the survey evidence suggests that there is no difference between unionized and non-unionized establishment in their affinity for innovation in human resource practices. However, the survey evidence does suggest strongly that there are important differences in the pattern of innovation between unionized and non-unionized workplaces.

The purpose of this paper is to review surveys, analytical studies and data which are either directly or inferentially indicative of the extent of innovation in work organization in Canadian workplaces. The paper is divided into thee parts:

- Part I reviews the range of potential innovation in human resource management and the place of changes in work organization within that range.
- Part II discusses recent findings on the adoption of new technology and innovations in human resource management.
- Part III summarizes the paper's conclusions on the extent of changes in work organization.

Part I
Work Organization and Innovation in Human Resource Management

Interest in work organization stems from three distinct concerns. The first arises from the relationship between work organization and the implementation of new technology. What has been termed "socio-technical systems" (STS) theory holds that in most situations there is a range of choice in the technical design of equipment and the definition of employees' jobs. According to STS theory, a production system is composed of two sub-systems - the first technical and the second organizational. Efficiency in the system as a whole is maximized when the two sub-systems are determined concurrently. This contrasts with traditional innovation strategies that select equipment solely on engineering criteria and then endeavour to alter job definitions and work organization to accommodate the perceived requirements of new equipment. STS theory holds that this approach runs the high risk of incongruity between the two sub-systems. This incongruity manifests itself in significantly lower productivity and quality than was anticipated when the technology was selected. STS theory is most commonly associated with team methods of production, multi-skilling, comparatively flat job structures and systems of remuneration geared to pay-for knowledge and gain-sharing. The socio-technical approach to implementing technological change informed the frequently discussed innovations in the Shell plant in Sarnia.[1]

A second focus of interest which has drawn attention to work organization issues is research findings that link occupational health and safety to the way that jobs are designed. Scandinavian and West German interest in work organization has been particularly influenced by these research findings.

The third set of concerns that has led to attention being focused on work organization is linked to the interpretation of several prominent research programmes which attempt to explain the deterioration of American competitiveness. During the 1980s, a strong current of opinion emerged that attributed the decline in America's comparative productivity performance to pervasive weaknesses in human resource management. The MIT Commission on Industrial Productivity is perhaps the best known of these research programmes. In its widely-cited report, *Made in America*, the MIT Commission stated that: .

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1. Cf., Tom Rankin, *New Forms of Work Organization* (1990). In the European Community support for socio-technical innovation strategies has received a high degree of governmental support. The EC established the European Foundation for the Improvement of Living and Working Conditions which encourages adoption of STS theory. A recent popularization of STS theory by the *Foundation is The Factory of the Future: Socio-Technical Investment Management - European Methods*, (Office for Official Publications of the European Community, Luxembourg, 1992)

> " [our] entire inquiry... has been dominated by the compelling importance of human resource issues."[2]

In a similar vein, Alan Blinder, now vice-chair of the U.S. Council of Economic Advisors, wrote in a Brookings Institution study that:

> " a few years ago, many Americans thought that the key to Japan's industrial success was more and better capital. Now we are coming to realize that the Japanese edge comes from knowing how to use people, not machines."[3]

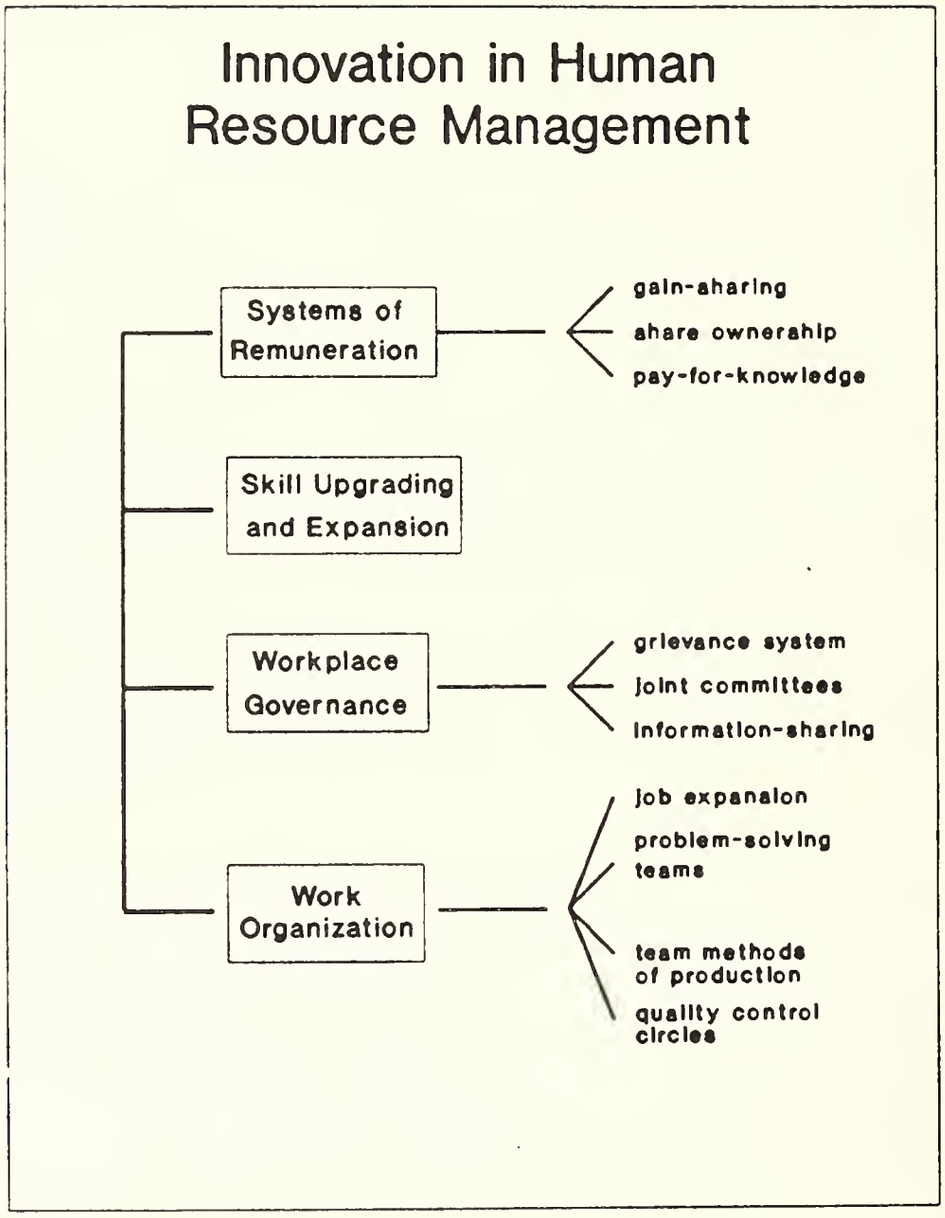
In some discussions, no attempt is made to distinguish between work organization and the broader issue of human resource management. Work organization, in fact, is only one facet of human resource management. As Chart I illustrates, there are at least four aspects to managing the labour input into the production of a good or service:

- the system of remuneration,
- the way in which skills are developed, *viz.*, training,
- workplace governance, *viz.*, how workplace decisions are made and reviewed,
- the way in which jobs are designed and work is organized.

2. Michael L. Dertouzos, Richard K. Lester and Robert M. Solow, *Made in America* (1989)

3. Alan S. Blinder, Introduction to Alan S. Blinder, ed., *Paying for Productivity* (1990)

Chart I


Innovation in Human Resource Management
Systems of Remuneration
gain-sharing
share ownership
pay-for-knowledge
Skill Upgrading and Expansion
Workplace Governance
grievance system
joint committees
information-sharing
Work Organization
job expansion
problem-solving teams
team methods of production
quality control circles

Although these four aspects of human resource management are analytically separable, there tend to be a strong relationships among them. *It is uncommon to find a workplace that is innovating in only one of these areas.* Indeed, many students of organizational development argue that change cannot be confined to one aspect of human resource management if the change process is to prove durable.

The tendency of innovations in human resource management practices to occur in clusters is helpful in trying to gauge the extent of change. Of the four aspects of human resource management, changes in work organization are the least sharply defined. Both the incidence of these changes and their depth in a company or institution are difficult to measure. Because of these measurement difficulties, the analytical literature on organizational development has been dominated by case studies. The difficulty with the case study literature lies in its inherent unrepresentativeness. Organizations that are not innovating are rarely chosen for examination. Organizations or institutions whose change processes were disappointing often do not welcome documentation of their experience by persons outside the organization. To gauge the extent of organizational change it is necessary to rely on a different type of evidence than that provided by case studies.

Although there is a considerable body of Canadian literature in the case study tradition, there is comparatively little survey data that directly addresses work organization issues. To date, the most significant human resource survey is still the Economic Council of Canada's *Working with Technology Survey* (WWTS). This survey was undertaken in 1985.[4] An update of the survey was carried out in 1991.[5] This second survey re-canvassed respondents to the first survey thereby providing a unique basis for making comparisons between the first half of the decade and the second half.

Despite the useful information provided by the *Working with Technology Survey* and its 1991 update, there remains a serious measurement gap. This gap in our understanding of the extensiveness of changes in human resource management will be filled partially with the completion later this year of the *Human Resource Management Survey.* The *HRM Survey* was planned originally by the Economic

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[4] The results of the survey are reported in Gordon Betcherman and Kathryn McMullen, *Working with Technology: A Survey of Automation in Canada*, Economic Council of Canada (Ottawa, 1986). The survey results are also discussed in Economic Council of Canada, *Innovation and Jobs in Canada* (Ottawa, 1987) esp. ch. 6 and 7. Richard Long reports in more detail on the human resource management innovations in , Richard Long, "Workplace Innovation in Canada," *Relations Industrielles*, vol 44, no 4 (1989). The survey's results with respect to the role of unionization in affecting technological innovation is discussed Yonatan Reshef, Brian Bemmels and Richard Wolfe, "The Effect of Unionization on Workplace Innovation," *Economic and Industrial Democracy*, vol 14 (1993).

[5] The update is based on a re-canvassing of the respondents to the 1985 survey. This methodology provides an indication on changes in human resource management practices since 1985. The updated survey results will be published as Kathryn McMullen, Norm Leckie and Christina Caron, *Innovation at Work: The Working with Technology Survey, 1980-91*, Industrial Relations Centre, Queen's University - to be published May 1993. The authors kindly made a draft of the report available for purposes of preparing this paper.

Council. The survey is now being undertaken by the Queen's - University of Ottawa Economic Projects.

The comparative absence of survey data dealing with changes in work organization compels us to look at other measures of workplace change that coincide with changes in work organization. This reliance on indirect evidence of organizational change is methodologically supportable. The case study literature and the available survey data both suggest than there is a broad relationship between changes in the way that work is organized and (1) the introduction of new process technologies, (2) changes in systems of remuneration, (3) increases in employee training and (4) innovations in workplace governance. There is more survey data on the these "indirect indicators" that there is on changes in work organization *per se*. We can draw on these broad relationships in the pattern of innovation to support impressions about the incidence and depth of changes in work organization.

It should be stressed that indicators on the incidence of organizational change, though valuable, give us little basis for evaluating the quality or durability of these changes. This raises an important issue for public policy. The policy argument that has been advanced elsewhere is that accelerating this type of change ought to figure significantly in Ontario's economic renewal. However, without a sound basis for judging the quality and durability of innovations in work organization, it is difficult to know how resources should be deployed or what changes should be encouraged. This suggests that Ontario should explore adapting to its needs the methodology of the *Workplace Industrial Relations Surveys* that are now fixed features of discussions about workplace change in both Australia and the U.K. Particularly in Australia, the Workplace Industrial Relations Survey has provided significant analytical support for the structural adjustment initiatives that featured in the Accord.[6]

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6 On the Australian Workplace Industrial Relations Survey, see:

Ron Callus, "The Making of the Australian Workplace Industrial Relations Survey," *Journal of Industrial Relations*, December 1991

Michelle Brown and David Worland, "Workplace Relations: A Review of the AWIRS Findings," *Journal of Industrial Relations*, December 1991

David H. Plowman, "Industrial Relations at Work: A Survey of the Survey," *Journal of Industrial Relations*, December 1991.

Part II
Indicators of Workplace Change

This section of the paper will examine both the indirect and the direct indicators of the extent of workplace change. Four indirect indicators will be considered. These are:

- evidence on process innovation, principally in the manufacturing sector,
- evidence on the adoption of computer-based technologies,
- evidence on training,
- evidence on changes in systems of remuneration.

The general impressions that these indirect indicators suggest will be noted before examining the direct survey evidence on changes in work organization.

Indirect Indicators of Workplace Change

1. *Innovation in Process Technology in the Manufacturing Sector:*

Changes in process technology provide a proximate indictor of changes in job definitions. The relationship to changes in work organization is looser, but still observable. Admittedly, it is not a valid procedure to make a leap from data on process technologies to conclusions about work organization. At best, only impressions are warranted. Some advanced process technologies, e.g., robotics, will have significant implications for levels of employment and for reshaping maintenance requirements. However, robotic technologies may have more limited consequences for the way production jobs are defined and organized. We should also be mindful that there are likely to be alternative paths of organizational change associated with many technologies. In some establishments, a particular technology may be associated with far-reaching change in work organization, while in other plants changes in work organization may be less significant.

Despite the complexity and diversity of the organizational response to process technologies, it is reasonable to see changes in process technology as broadly associated with changes in job responsibilities and ultimately with work organization. New technology is typically the impetus for changes in job definitions and in work organization. Part of the effect of new process technologies on work

organization stems from its rendering certain job functions obsolete while causing new functions to emerge. A rapid rate of change in process technology is also likely to be associated with experimentation in work organization. Finally, companies that are persuaded by socio-technical systems theory will make changes in work organization an integral part of introducing new process technologies.

The relationship between new process technologies and changes in work organization is difficult to formulate in quantifiable terms. However, the proposition takes on a somewhat different significance when stated in the converse: a lag in the adoption of new process technologies is likely to be strongly associated with a markedly greater attachment to existing forms of work organization.

Process innovation comes from two sources. The first is R&D activity that is internal to a company. The second is the adoption of technologies developed outside the firm. The majority of policy attention has focused on internal R&D. However, both the National Research Council and the Economic Council of Canada have underscored the importance of diffusion into Canada of technologies developed elsewhere.[7] Draw-ing on the results of its Survey of Innovation, the Economic Council concluded in 1983 that:

> " new technology diffuses slowly into Canada from other countries. It also diffuses slowly from firm to firm and from region to region within the country."[8]

The Council estimated that the average lag in adopting imitative technologies was eight years.[9]

Recent data on rates of adoption of new technology confirm the Economic Council's 1983 finding.[10] A comparison of Canadian and American data on the use and planned use of advanced manufacturing technologies finds a significant lag in Canadian rates of adoption. The left side of Chart II on the following page summarizes these findings.

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7 Cf., National Research Council, *The Urgent Investment* (Ottawa, 1980) and the Economic Council of Canada, *The Bottom Line: Technology, Trade and Growth* (Ottawa, 1983) especially chapter 5.

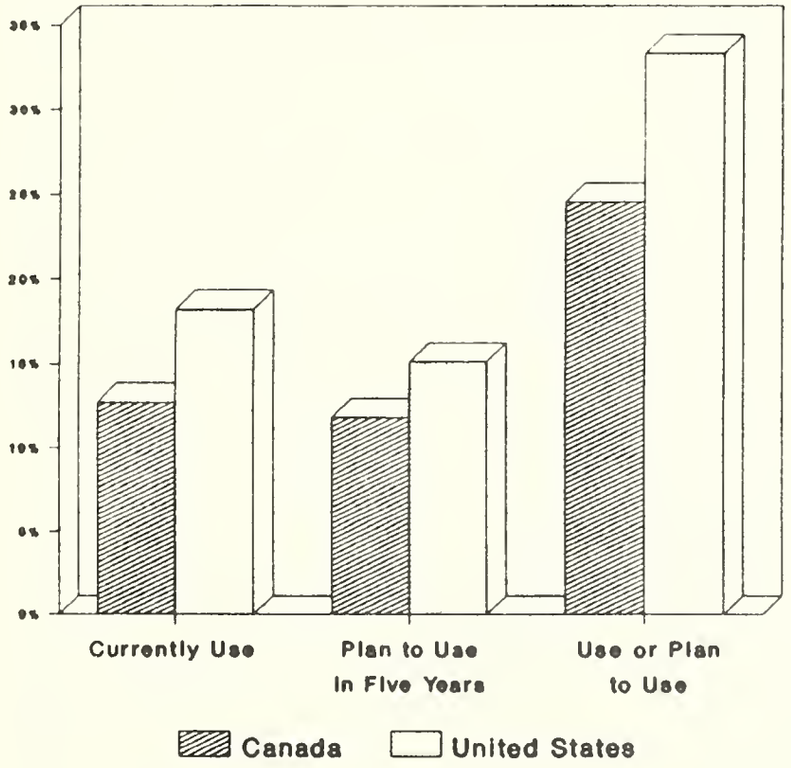
8 Economic Council of Canada, *The Bottom Line , op. cit.*, p 61

9 *ibid.* p 56

10 McFetridge, Donald G., *Advanced Technologies in Canada: An Analysis of Recent Evidence on their Use,* Canada Communications Group (Ottawa, 1992). The McFetridge study is based on the Statistics Canada 1989 Survey of Manufacturing Technology.

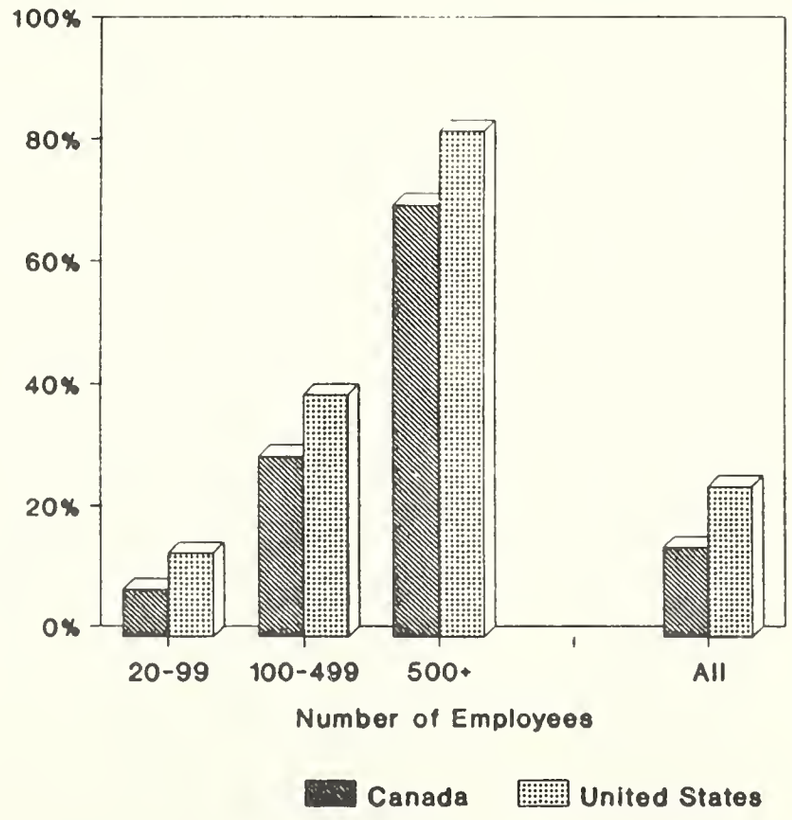
Chart II

Use and Planned Use of Advanced Manufacturing Technologies, Canada and United States, 1988-89



Donald G. McFetridge, *Advanced Technologies in Canada*, Canada Communcations Group (Ottawa, 1992)

Per Cent of Technology Adopters Using Five or More Advanced Manufacturing Technologies, 1989



Economic Council, *Pulling Together* p 40

The technology adoption lag between Canada and the United States is significant. In proportionate terms, for every one manufacturing establishment in Canada using or planning to adopt an advanced technology in 1988-89 there were 1.36 plants in the United States that had introduced or intended to introduce advanced technologies.[11] Differences in the average scale of operation is the most commonly suggested explanation for this lag in adopting new technologies. However, the Economic Council's study finds that the smaller scale of the average Canadian manufacturing establishment accounts for just over one-third of this lag. The balance of the technology adoption gap, viz., roughly two-thirds of the lag, must be explained by other obstacles or disincentives. Moreover, in addition to evidence that overall rates of adoption lag in Canada, the depth or intensity of technological change among adopting establishments is lower. The right side of Chart II illustrates the proportion of advanced technology adopters that were using five or more advanced manufacturing technologies. In all size categories of plant, Canadian establishments lagged behind U.S. plants.

In the manufacturing sector, the evidence points to two conclusions. First, to a significant degree, the overall rate of adoption of advanced manufacturing technologies is slower in Canada than in the United States. Second, even among companies that have adopted advanced technologies, the intensity or depth of technological change tends not to be as great as in the United States. To the extent that the adoption of advanced process technologies is associated with innovations in work organization and job design, it is reasonable to expect that Canada will also lag in the introduction of these changes. As will be discussed later, the relationship between advanced manufacturing technologies and innovations in work organization and workplace governance is not one-to-one. In some aspects of workplace change, such as joint labour-management committees, higher rates of unionization in Canada appear to have led to significantly greater adoption of this practice. Moreover, to some extent, practices such as joint consultation committees substitute for other HRM innovations that are more common in the predominantly non-union American environment. Even with these caveats, however, it remains a reasonable expectation that lower rates of adoption of new technology will be associated with lower rates of innovation in work organization and workplace governance. As will be noted later in this paper, evidence from the updated *Working with Technology Survey* confirms this expectation.

A different dimension of the technology adoption problem is explored in a survey carried out by Meric Gertler. Using a sample of 170 Ontario manufacturers, Gertler asked "to what extent, and in what ways, do typically long distances between Ontario users and foreign machinery producers contribute to the implementation

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11 Seventeen advanced technologies were examined in the comparative analysis. These are listed in McFetridge, *Advanced Technologies in Canada, op cit.*, p 3

difficulties experienced by users in Ontario?" [12] As seen in Table I, on the following page, the Gertler Survey found that the degree of difficulty in implementing new technology was greatest for Canadian-owned, single-plant companies using overseas-produced machinery. Linking this finding to McFetridge's conclusions suggests that the lag in technology adoption is likely to be greatest in Canadian-owned, single-plant companies. This is consistent with evidence that foreign ownership correlates positively with the propensity to adopt advanced technologies. Applying these findings to work organization would lead us to expect that the rate of change in work organization would likely show the greatest lag in these same Canadian-owned, single-plant companies.

Table i:
Per centage of Plants reporting Operating of New Machinery as "Very Difficult," Ontario, 1991[13]

	Canadian-produced Equipment	Overseas-produced Equipment
Canadian-owned Plant	13.0%	23.8%
Foreign-owned Plant	5.5%	9.5%

2. *Adoption of Computer-based Technologies:*

Reference was made earlier to the Economic Council of Canada's 1985 *Working with Technology Survey*. This survey asked participants about their technology use and their human resource management practices between 1981 and 1985. The Council's survey covered all industries in Canada except agriculture, fishing, construction and public administration. The survey found that two thirds of computer-based technological change was related to information technologies in office environments. By contrast, only 43 per cent of manufacturers reported adopting some form of computer-based process automation in the period 1981-85. This prompted the Economic Council to conclude that "process innovation is hardly pervasive at this point [i.e., late 1985]."[14]

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12. Meric S. Gertler, "Being There: Proximity, Organization and Culture in the Development and Adoption of Advanced Manufacturing Technologies," mss Department of Geography, University of Toronto (October, 1992)

13. Gertler, *op. cit.* Table 6

14. Economic Council, *Innovation and Jobs, op .cit.*, p 73

Investment trends in the 1980's confirm both the relative and growing importance of information technologies in office environments. Chart III on the next page compares investment in office equipment within investment in industrial machinery in constant dollars from 1981 to 1992. While investment in office equipment was only 7 per cent of investment in industrial machinery in 1981, by 1992 investment in office equipment was 40 per cent greater than investment in industrial machinery.

As noted previously, the Economic Council's *Working with Technology Survey* was updated in late 1991 to cover the period 1986-91. The updated survey confirms an expected finding. During the latter half of the 1980's, computer-based technologies were more widely adopted. Indeed, these technologies affected virtually every workplace. Arguably of greater importance for the issue of work organization and job design, the intensity of use also increased. The 1981-85 survey found that only 13 per cent of employees were using computer-based technologies. By 1991 that proportion had increased to 37 per cent. It should be noted, however, that the manufacturing sector presents a less dramatic picture with respect to the adoption of computer-based technologies. The proportion of instances of technology adoption represented by *process* technologies was largely unchanged between the 1981-85 survey and the 1986-91 survey.[15] It is also significant that *the use of computer-based technologies by skilled production workers was under 20 per cent.*[16] In contrast, among office employees the use of computer-based technologies was approximately 75 per cent. The low usage rate among skilled production workers may suggest that most manufacturing employers are generally oriented towards technician-based control of production technology. Further, this low rate of usage of computer-based technologies among *skilled* production workers, may also suggest that the majority of manufacturing sector employers have *not* moved towards more skill intensive forms of work organization or job design. If this inference is valid, it also would support the view that significant changes in job design and work organization are not widespread in the manufacturing sector.

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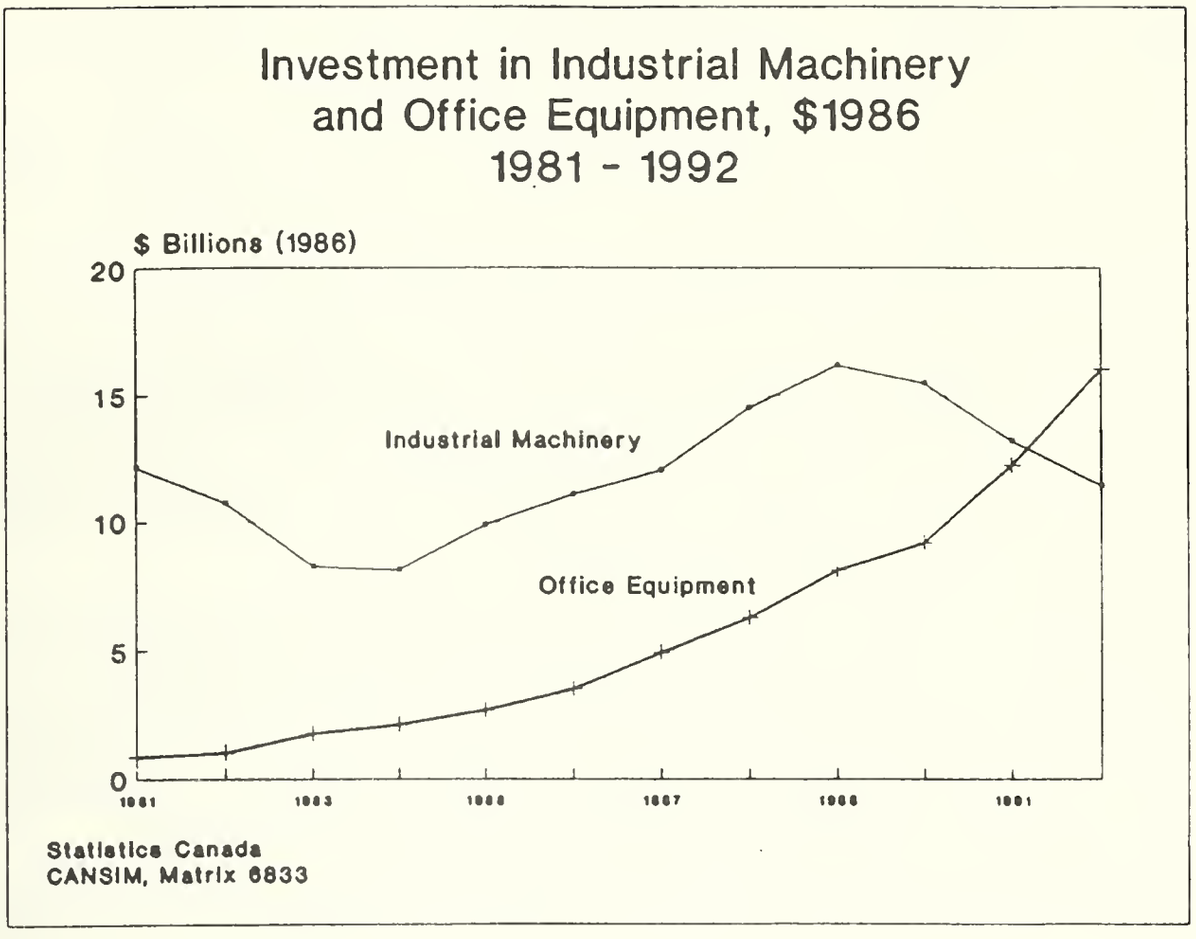
15 McMullen, Leckie and Caron. *Innovation at Work: The Working with Technology Survey, 1980-91, op. cit.*, p 17. In the 1981-85 survey, 19.5% of instances of innovation involved process automation. In the 1986-92 survey this proportion was 18.6%

16 McMullen, Leckie and Caron. *Innovation at Work: The Working with Technology Survey, 1980-91, op. cit.*, pp 10, 20-21

Chart III



To summarize: evidence on the use of computer-based technologies from the 1981-85 and 1986-91 *Working with Technology Surveys* indicates both widespread adoption of these technologies and a significant increase in the proportion of employees who utilize computer-based technologies. In office environments, the high rates of employee utilization would be consistent with, but not necessarily indicative of, changes in work organization. In the manufacturing sector, the comparatively low rate of usage of computer-based technologies by skilled production workers is an unexpected finding. It suggests that in the manufacturing sector, skill-intensive changes in work organization did *not* become widespread over the decade.

3. Evidence on Employee Training:

Training expenditures, like the adoption of new process technologies, are an indirect indicator of organizational change in the workplace. Some types of training are

unrelated to changes in work organization. Training in occupational health and safety, for example, is mandated by statute. Training that is related to the introduction of new products to the market may not be as indicative of organizational change as training that is directly related to the adoption of new technologies or new work methods. Nevertheless, there is reason to associate business expenditure on training with positive types of workplace change. Changes in job responsibilities that are skill diminishing are unlikely to be associated with an increase in training expenditures. Conversely, to the extent that changes in job responsibilities are skill enhancing, it is likely that training expenditures will increase. We must be cautious in inferring a high rate of organizational or job change from a high level of business expenditure on job-related training. However, it is reasonable to infer that a low level of expenditure on training is indicative of a low rate of movement towards more skill intensive forms of work organization. While there are several earlier studies of training, this discussion will confine itself to the two most recent sources of survey information: the *1991 National Training Survey* carried out by the Canadian Labour Market[17] and Productivity Centre and the updated *Working with Technology Survey*.

The most striking finding of the updated *Working with Technology Survey* was the significant increase in the number of employees in surveyed firms who received training because of technological change. As Table II indicates, the number of employees who were retrained in the surveyed companies tripled between 1981-85 and 1986-91. This is consistent with another survey finding that more than 60 per cent of technology adopters reported job modifications as a result of new technologies. Unfortunately, sectoral break-outs of the data are not yet available.

Table II
Number of Employees Retrained owing to Technological Change
(224 Establishments)[18]

1981-85 Survey	4,629
1986-91 Survey	13,870

Although the number of workers who received training increased dramatically between the two surveys, the duration of training declined. In the first *Working with Technology Survey*, the average length of job-related training stemming from new technology was 4.6 weeks. In the second survey, the average duration of this

17. Canadian Labour Market and Productivity Centre, *1991 National Training Survey*, (Ottawa, 1993)

18. McMullen, Leckie and Caron, *Innovation at Work, op. cit.* pp 27-29

type of training declined to 2.7 weeks. *It is significant to note that among the occupational groups for whom the average duration of training fell most sharply was product fabricating and assembly workers.* For these workers, the updated survey reports a reduction in average training periods from just under 10 weeks to 3 weeks.

There are a number of interpretations that might be advanced to account for this dramatic drop-off in the average duration of training for assembly workers. The most optimistic, of course, is that process technologies were more user friendly in the second half of the decade and that less training was required. Training may also have become more efficient or, at least, more focused on specific tasks. A third explanation is that manufacturing employers, on the whole, were *not* moving towards more skill intensive forms of work organization or enlarged jobs. Consequently, manufacturing employers, in general, did not experience a need for intensive training for their production workers. This explanation is consistent with other evidence that will be discussed in the paper.

The definitions of training and the categorization of companies used in CLMPC's 1991 *National Training Survey* make it inappropriate to compare the results of that survey with the 1987 Statistics Canada *Human Resource Training and Development Survey*. Consequently we cannot infer from the CLMPC survey whether there have been changes in the nature or extent of employee training since the 1987 Statistics Canada survey.

There are two findings in the CLMPC Survey that have some bearing on the impressions that we are forming of the incidence of changes in work organization and job design. The first pertains to the proportion of employees who received employer-sponsored training. On average, 36 per cent of employees received employer-sponsored training. In the CLMPC survey, this training encompassed all types of training, viz., it included health and safety training, orientation for new employees and training sale workers in new products, etc. The gross amount of training cannot be taken as indicative of any particular degree of change in work organization. When we focus on the manufacturing sector, however, it may be possible to use the incidence of training as a confirming indicator. In the manufacturing sector, the proportion of employees who received training was 31 per cent.[19] Since this includes health and safety training, environmental training and orientation of new employees, we would expect that the number of employees who received training that was related to work re-organization would be much lower. Consistent with this expectation, the CLMPC survey also found that in the manufacturing sector only 19 per cent of companies provided any training on

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19 Canadian Labour Market and Productivity Centre, *1991 National Training Survey*, (Ottawa, 1993) p 32, ex. 8

technological equipment in non-office locations.[20] This confirms the impression arising from the updated *Working with Technology Survey* that the data on training do *not* suggest any significant movement in the manufacturing sector towards more skill-requiring forms for work organization and job design.

4. Evidence on Remuneration Systems:

Changes in systems of remuneration is the last of the indirect indicators to be examined. Some will argue that changes in the system of remuneration are only weakly associated with changes in work organization or not associated at all. In part, the difficulty lies in the way in which surveys are constructed. In many companies, profit-sharing or share-ownership plans are available only to managerial employees. In these cases, there is no relationship between the system of remuneration and the propensity to be innovative in broader human resource management practices. Profit-sharing or share-ownership plans, even when extended to non-supervisory employees, may indicate only stand-alone experimentation with incentive structures rather than any substantial changes in job design or work organization. Indeed, in some cases, incentive pay may be part of a work intensification strategy rather than a skill-based re-design of jobs. In other cases, however, gain-sharing or pay-for-knowledge will be viewed by management as an important dimension of successfully implementing changes in work organization. The case study literature supports this linkage.[21] Long and Warner, for example, cite the view in a British government background paper that "almost without exception, the companies [with financial participation] are advocates of participation involving employees in the decision-making process."[22] The evidence, however, is mixed and must take account of different types of systems of remuneration.

Correlation analysis points to a marked difference in the link between different types of remuneration systems and changes in work organization. In his review of the 1981-85 *Working with Technology Survey*, Long found that profit-sharing had an extremely low correlation with other human resource innovations.[23] On the

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20 *ibid.* p 40, ex. 14

21 For example, Carolyn R. Farquhar and Catherine G. Johnston, *Total Quality Management: A Competitive Imperative - Lessons from the Quality Winners of the 1989 Canada Awards for Business Excellence*, Conference Board of Canada (60-90-E), (Ottawa, 1990) and Carolyn R. Farquhar and Catherine G. Johnston, *Empowered People satisfy Customers: Strategies for Leaders -Lessons from the Canada Awards for Business Excellence Winners*, Conference Board of Canada (92-92-DF), (Ottawa, 1992)

22 Long and Warner, *op. cit.*, p 81 citing D. Grayson, *Progressive Payment Systems*, British Department of Employment Work Research Unit, Occasional Paper No. 28, February 1984.

23 Long, "Patterns of Workplace Innovation in Canada," *op. cit.* p 18 and 19

other hand, gain-sharing schemes have a higher correlation to other workplace innovations. However, the rate of abandonment of these schemes was approximately 18 per cent over five years. This suggests disappointment with their results. The high rate of abandonment also suggests that many gain-sharing initiatives were stand alone changes and were not part of significant organizational change. The pattern we expect, therefore, is that significant organizational change is often accompanied by the introduction of gain-sharing schemes. However, the presence of a gain-sharing scheme by itself does not necessarily indicate that a company has introduced new forms of work organization.

In contrast with gain-sharing, the adoption of pay-for-knowledge is more likely to be associated with systematic changes in job responsibilities and in work organization. An employer introduces a pay-for-knowledge system to diminish the importance of traditional job demarcation lines and to thereby remove barriers to flexibility. Long's analysis of correlations finds a comparatively strong association between pay-for-knowledge systems and semi-autonomous work groups, job enrichment or enlargement and quality circles. Evidence on the incidence of pay-for-knowledge schemes may be viewed as confirming other indicators on the extent of changes in work organization. It should be noted that socio-technical systems theory, to which reference was made earlier in the paper, generally emphasizes the importance of pay-for-knowledge systems of remuneration.

The 1981-85 *Working with Technology Survey* found that gain-sharing arrangements were operative in 9.7 per cent of organizations. In the manufacturing sector, this proportion rose to 11.0 per cent. The updated 1986-91 survey found a drop-off of about one-fifth in the number of establishments that reported gain-sharing plans. The pattern with respect to pay-for-knowledge, however, was different. The 1981-85 survey found that 7.4 per cent of establishments used pay-for-knowledge systems of remuneration. In the 1986-91 survey, the proportion of establishments that reported using these systems increased. On the surface, this is suggestive of an increase in the rate of organizational innovation. However, this needs to be qualified for three reasons. First, the increase was from a low base. The number of survey respondents in the statistical cell was small, thereby reducing significantly the level of confidence in the observed results. Second, pay-for-knowledge is an ambiguous term and may have invited over-reporting. Finally, it will be recalled that the second *Working with Technology Survey* recanvassed respondents to the first survey. There was roughly a 75 per cent decay in the sample, viz., approximately three-quarters of the respondents to the 1981-85 survey could not be recontacted in the 1986-91 survey. This decay reduced the sample's representativeness. Nevertheless, the second *Working with Technology Survey* does suggest that there may have been an increase in the incidence of pay-for-knowledge systems of remuneration, although the average incidence of these

schemes is still quite low.[24]

Unionization is an important factor in the pattern of innovation in remuneration systems. Overall, unionized establishments were less likely to have introduced incentive pay systems or pay-for-knowledge. The 1986-91 *Working with Technology Survey* found that approximately 47 per cent of unionized establishments had introduced these schemes. The incidence among non-union establishments was 61 per cent. Much of this difference can be explained by the incidence of profit-sharing schemes. The 1981-85 *Working with Technology Survey* reported significantly higher rates of adoption of profit-sharing in those sectors that are predominantly non-union. It is also significant that the updated survey found that the abandonment rate for incentive plans was higher in unionized establishments. Of unionized firms that had established incentive schemes in the 1981-85 period, only half reported continuing those schemes during the 1986-91 period. Among non-union firms, the sustainability rate was roughly 70 per cent.

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Thus far, we have examined four indirect indicators of workplace change. The impression that these indicators suggest may be summarized as follows. In the manufacturing sector, there is evidence of a lag in the adoption of advanced manufacturing technologies in comparison with the United States. Process technologies also appear to be adopted at a slower rate than office-based technologies. To the extent that changes in work organization and job design are technology driven, we would expect a lower incidence of changes in work organization in plants in the manufacturing sector, though perhaps not in offices in that sector. Consistent with this expectation is the finding that among skilled production workers, the use of computer-based technologies was under 20 per cent. Evidence from surveys of employer-sponsored training is broadly supportive of this impression. The duration of training for product fabricating and assembly workers dropped sharply even though there was probably an increase in the number of employees in these occupations who received training. It was also found that only 19 per cent of manufacturing companies provided training on new technology in non-office settings.

The evidence on the adoption of computer-based technologies, training and remuneration systems suggest that there has been a movement towards new forms of work organization. However, this trend probably does not affect much more than eight to ten per cent of the labour force. Pay-for-knowledge systems of remuneration were noted to be particularly associated with certain forms of organizational change, notably those based on the principles of socio-technical

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24 Long, "Patters of Workplace Innovation in Canada," *op. cit.* p 811 and McMullen, Leckie and Caron, *Innovation at Work*, *op. cit.* p 41.

systems theory. There is some evidence, albeit modest, that there may have been an increase in the adoption of pay-for-knowledge systems. This suggests that there may be a growing number of establishments that are experimenting with changes in work organization along the STS model, although their absolute numbers are quite small.

As will be discussed subsequently, the direct evidence of changes in work organization is broadly consistent with the impression that is suggested by the indirect evidence.

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5. *Direct Evidence of Changes in Work Organization and Workplace Governance:*

This section discusses changes in work organization and in workplace governance. The issues are considered at the same time for two reasons. First, some survey data presents these changes under the common caption of employee involvement. Second, the evidence indicates that in unionized workplaces, changes in workplace governance play a more important role. More importantly, in unionized workplaces, changes in workplace governance appear to be either the preferred means or the first step in pursuing the flexibility goals that in non-unionized establishments are more directly associated with changes in work organization. It would be going too far to argue on the basis of limited evidence that changes in workplace governance and changes in work organization are substitutes for one another. Clearly they are not. However, *there is a substantial amount of evidence indicating different patterns of workplace change in unionized establishments. This finding is potentially important when considering policies to accelerate the rate of workplace innovation.*

As noted earlier, the most comprehensive database on workplace change in Canada is the former Economic Council of Canada's *Working with Technology Survey.* The Council's survey was based on a random sample of 5,000 establishments of which 946 provided usable responses. The respondent companies were broadly representative of the non-governmental sector in terms of distribution by region, size and industry. However, central Canada, larger organizations and the manufacturing sector were over-represented among the respondents. The survey asked companies and organizations to report on both their human resource management practices and their use of computer-based technologies during the period 1981-85. Information was sought from the respondents on the incidence of nine human resource management practices. Six of these related to work

organization or workplace governance. Three pertained to systems of remuneration. The innovations surveyed are summarized in Table III on the following page.

The survey revealed two broad trends. The first is that overall rates of innovation are high when innovation is defined as the adoption of at least one of the nine HRM practices surveyed. The Economic Council found that 64.4 per cent of the sample reported having introduced at least one of these nine HRM practices. Overall, the average number of innovations per firm was 1.44. The second trend which emerges from the *Working with Technology Survey* is that the intensity of innovation is not great. Comparatively few establishments have significantly altered the way they define jobs or organize work. Reflecting on its survey findings, the Economic Council observed that "*our research establishes that most Canadian establishments continue to organize production according to relatively traditional practices.*"[25]

We should also note that some of the terms used by the *Working with Technology Survey* to characterize innovations in human resource practice may have been ambiguous from the perspective of survey respondents. In reviewing the data, Long comments that, "it seems more likely that an *overestimation*, rather than an underestimation would take place."[26]

Table III

HRM Innovations Examined
in the *Working with Technology Survey*, 1981-85
(Economic Council of Canada)

Systems of Remuneration:
- profit sharing
- productivity gain sharing
- pay-for-knowledgeWork Organization:
- job enlargement, rotation, enrichment
- semi-autonomous work groups
- quality circles
- job sharing
- other joint problem-solving groupsWorkplace Governance:
- labour-management committees

It also will be noted from Table III that job-sharing is included in this list of innovative forms of work organization. Job-sharing refers to the voluntary

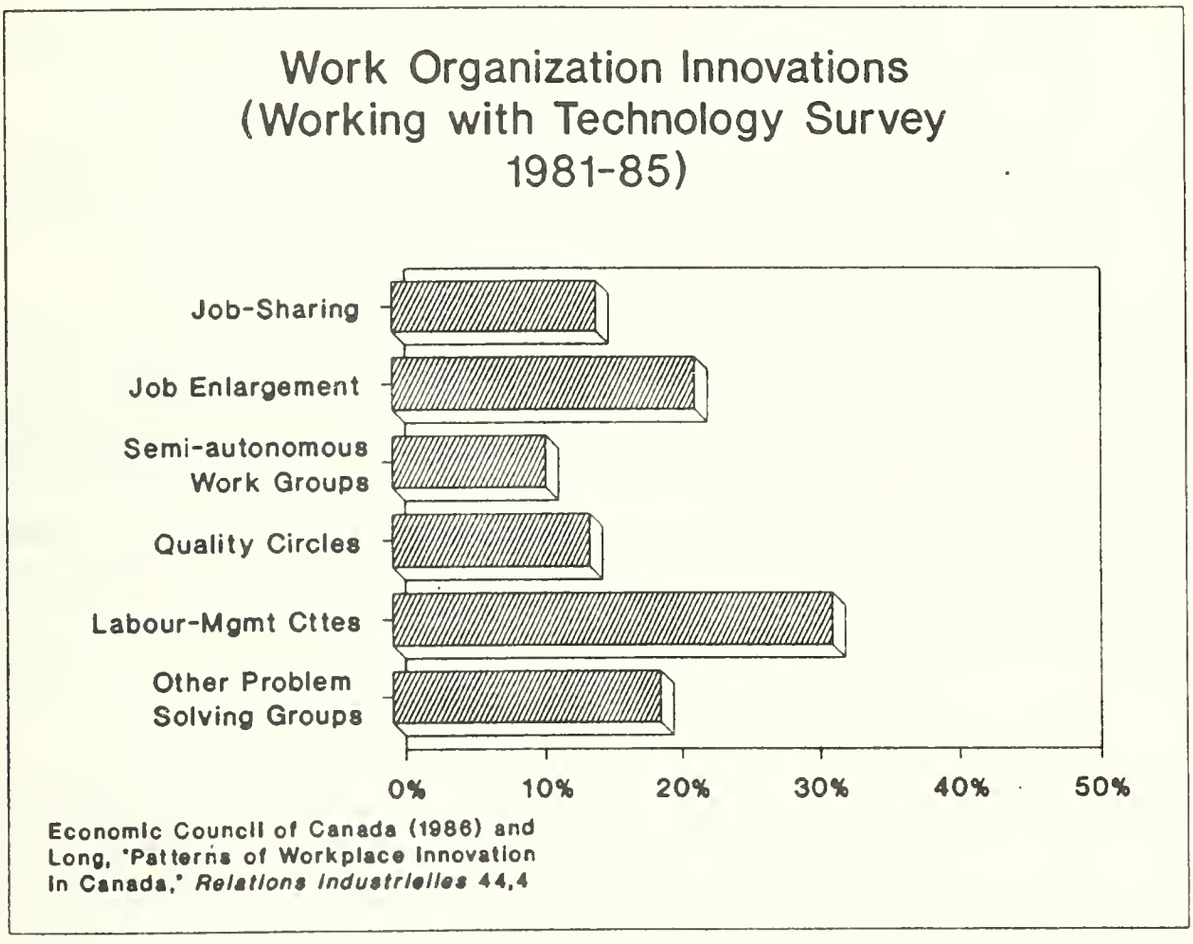
25 Economic Council, *Innovation and Jobs in Canada, op. cit.* p 93. Emphasis added.

26 Richard J. Long, "Patterns in Workplace Innovation in Canada," *Relations Industrielles*, vol 44, no 4 (1989) p 809. Emphasis added.

dividing up between two part-time workers of a position that was previously a full-time job. Such arrangements may give affected employees more control over their working time and are often welcomed for that reason. Job-sharing, however, has comparatively little significance for the way that work is organized or for employee control over the work process. The content of jobs does not change when they are shared. Nor do the skills of the workers involved. Moreover, almost half of job-sharing experiments were discontinued. This suggests that many employers had only a limited commitment to job-sharing and viewed it primarily as a means of accommodating employees in particular circumstances. As an indicator of change in work organization, the incidence of job-sharing is comparatively unimportant. The other five work organization practices surveyed are more directly relevant to changes in the design of jobs and the organization of work.

Chart IV summarises the general incidence of these six HRM practices:

Chart IV



It is clear from the evidence that during the period 1981-85, significant changes in work organization and in job design were *not* widespread. In the sample as a whole, the incidence of semi-autonomous work groups was only 11.0 per cent. The use of

quality circles was reported by only 14.2 per cent of respondents. Fewer than a quarter of surveyed establishments indicated any experimentation with job enlargement, job rotation or job enrichment. Indeed, even job-sharing -- the least significant HRM innovation from the perspective of work organization and job design -- was seen in only 14.7 per cent of establishments.

The results of the *Working with Technology Survey* show considerable variance among industries in their propensity both to innovate in general and to adopt particular changes in HRM practice. It is useful to distinguish between high and low innovation propensities and within innovating industries to take note of different patterns of workplace change. In his analysis of the survey, Richard Long identified four sectors that showed a greater tendency to adopt new HRM practices relative to the survey average. These high innovators were: finance/real estate/insurance, retail trade, business services and manufacturing. Low rates of adoption were generally found in communications/utilities and other services. The latter comprised mainly private sector personal services and building and repair services. The remaining sectors were intermediate in their propensity to innovate.[27]

The semi-autonomous work group is one of the features strongly associated with the socio-technical systems approach to work organization. Chart V on the following page summarizes the reported incidence of semi-autonomous work groups by industry. We should keep in mind Long's caution that the survey may have encouraged an over-reporting of some innovations by using terminology that was not properly understood by the respondents.

Even with Long's caution, the divergence among sectors is striking. The low rate of introduction of semi-autonomous work groups in the health and social services sector bears particular comment. This was the one segment of the public sector that can be unambiguously isolated in the survey data. The low rate of adoption of semi-autonomous work groups by this sector is puzzling. It appears that of 62 respondents in this sector, only one reported using semi-autonomous work groups.

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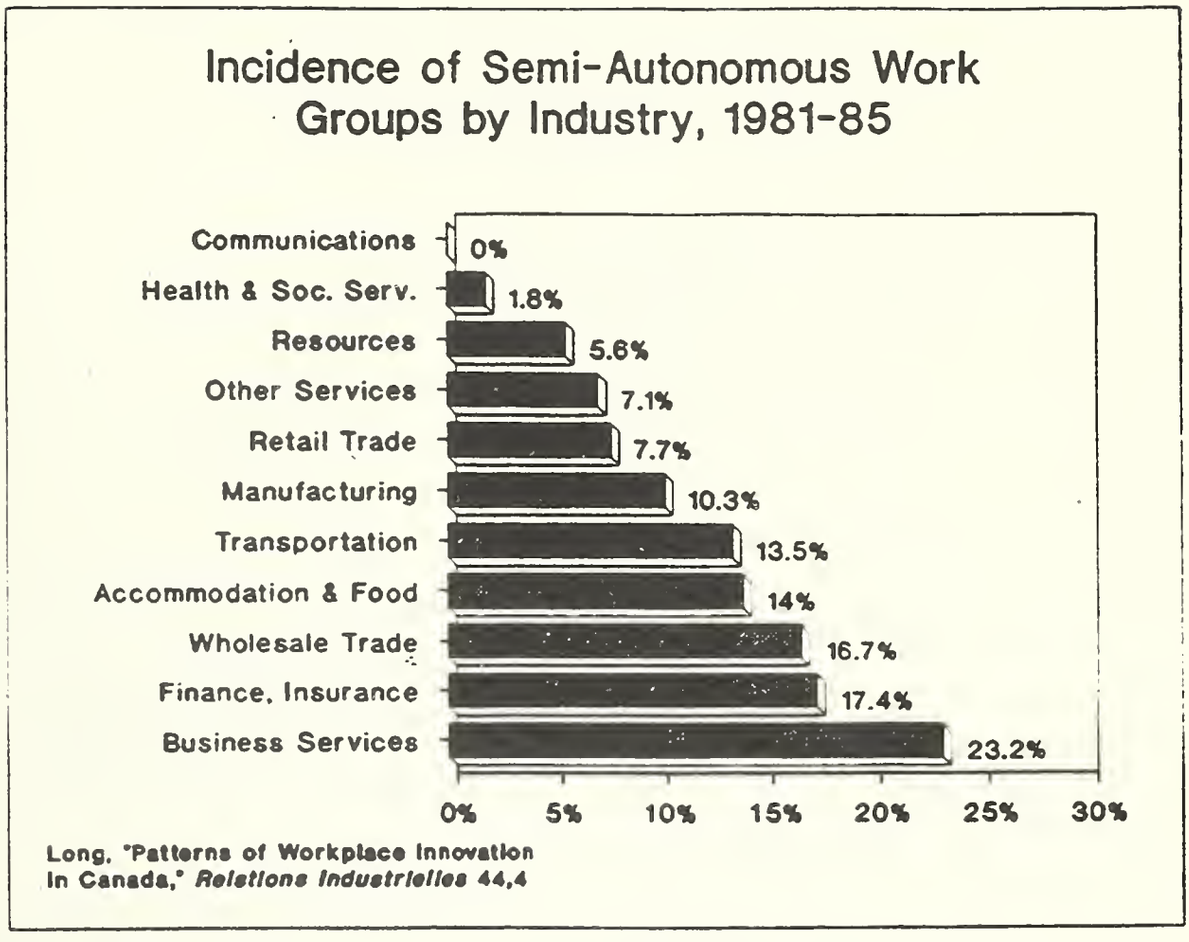
27 Long, "Patterns of Workplace Innovation in Canada," *op, cit*, p 809

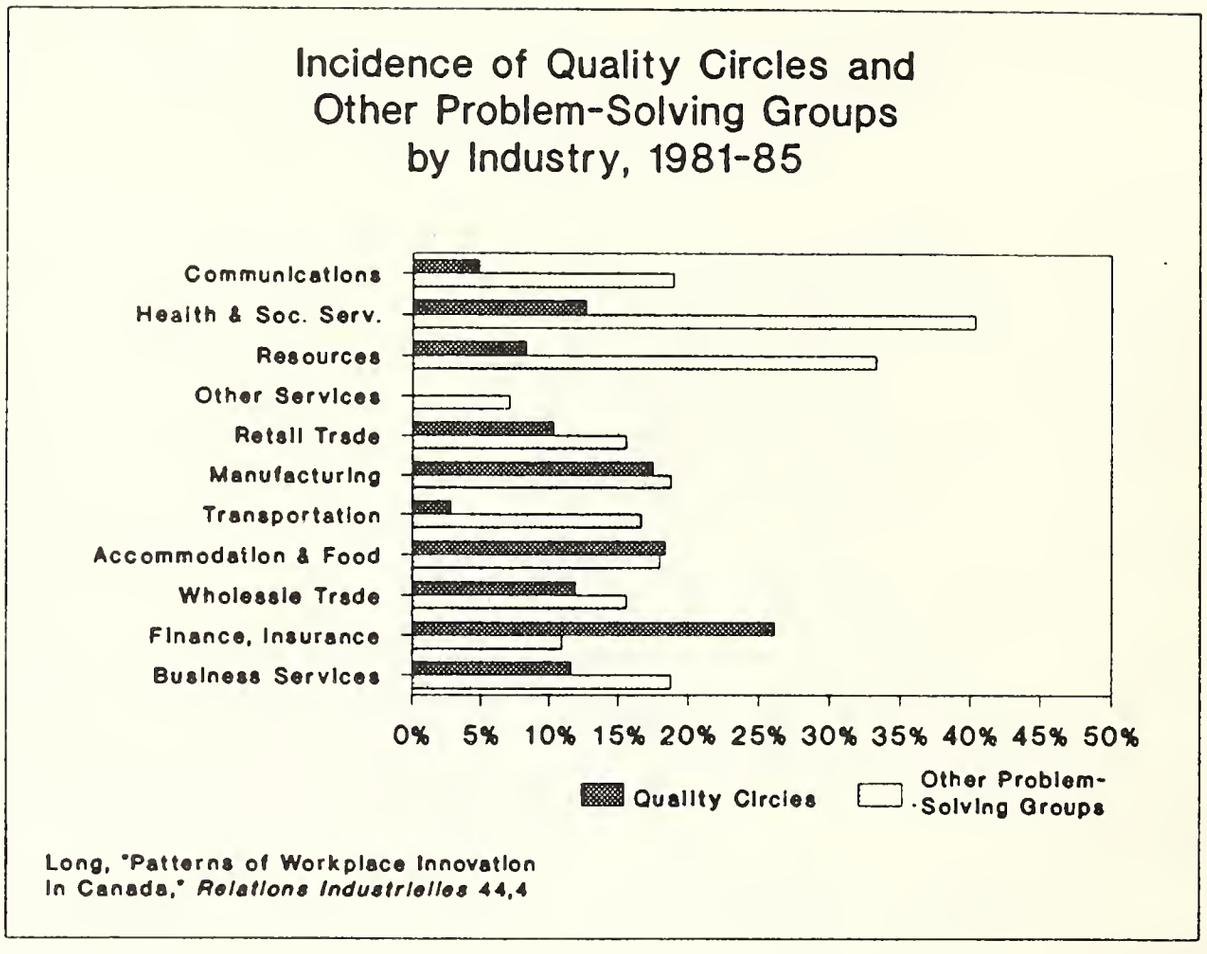
Chart V



Health care and social services are characterized by significantly higher average levels of education. One would have anticipated a greater affinity for adopting semi-autonomous work groups. Certainly the contrast with the business services sector is marked, although the functions of the two sectors are clearly different.
It is noteworthy that the discontinuance rate among establishments that introduced semi-autonomous work groups was only 13.5 per cent, viz., roughly one in every seven or eight. This suggests, that, in the main, this type of innovation has proven durable where it was adopted.

The incidence by sector of quality circles and other problem-solving groups is presented in Chart VI below. Virtually all (92 per cent) of the quality circles were reported to have been established during 1982-85. This is consistent with the view that became more prominent in the early 1980s that human resource management practices are an important factor in achieving quality. The survey also indicated, however, that 19 per cent of these quality circle experiments had been abandoned by 1985. Significantly, this discontinuance rate is higher than that for semi-autonomous work groups. By contrast the discontinuance rate for the category "other problem-solving groups" was only 6.7 per cent.

Chart VI



It is useful to compare the incidence of changes in work organization in Canada with trends in other economies. Comparisons based on survey data, however, must be treated with great caution. Surveys are rarely comparable in their methodology or in their sample characteristics. At best, only proximate orders of comparison can be inferred.

Most attention in comparative analysis is focused on the manufacturing sector. Quality circles and semi-autonomous work groups are the two work organization changes that have attracted the most survey interest. The *Working with Technology Survey* found a 17.5 per cent incidence of quality circles in Canadian manufacturing between 1981 and 1985. Richard Long cites a survey of 124 large manufacturing establishments in the U.K. which indicated an adoption rate of approximately 20 per cent in 1983.[28] It should be noted, however, that the *Working with Technology Survey* was significantly more representative in terms of its sampling by size of establishment. As well, the Canadian survey was substantially larger in its total sampling - three-and-half times the size of the U.K. sample in absolute numbers.

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28 See Richard J. Long and Malcolm Warner, "Organizations, Participation and Recession: An Analysis of Recent Evidence," *Relations Industrielles*, vol 42, no 1 (1987). The reference is to a an unpublished paper by E. Batstone.

Being biased towards large companies, it is likely that the U.K. survey over-stated the trend towards the introduction of quality circles. There is therefore little basis for attributing a more rapid rate of adoption of quality circles to U.K. manufacturers.

The comparative evidence on semi-autonomous work groups is more supportive of an adoption gap in Canada or at least of a different pattern of innovation. The *Working with Technology Survey* reported that 10.3 per cent of Canadian manufacturers and 11.0 per cent of all employers had adopted semi-autonomous work groups. Batstone found a 20 per cent adoption rate among the large U.K. manufacturers he surveyed. In the United States, the American Management Association reported a 17 per cent overall adoption rate in its 1985 survey.[29] However, as Long notes, the AMA survey may have been biased towards larger companies and to companies more inclined to innovate, as evidenced by their membership in the AMA.

Comparative data is also available from the survey conducted in 1991 by the management consulting firm, Ernst & Young. This survey was undertaken in conjunction with the American Quality Foundation. The survey reports on the practices of 500 large firms in Canada, (West) Germany, Japan and the United States.[30] The sampling methodology, sectoral distribution and national distribution of the companies are not indicated in the survey report. Nor does the report provide statistical measures or reliability such as variance from the mean finding. As an indicator of comparative human resource management practice, the survey should be treated with considerable caution.

Table IV summarizes the Ernst & Young survey findings with respect to participation by employees in quality-related teams.

Table IV:
Involvement of Employees in Quality-related Teams
(Ernst & Young Survey, 1991)[31]

	Per cent of Businesses indicating ***More*** than 25% of their Employees involved in Quality-related Teams
Canada	41%
Germany	19%
Japan	36%
United States	49%

29 Goodmeasure Inc., *The Changing American Workplace*, American Management Association (New York, 1985). Discussed by Long, "Patterns of Workplace Innovation in Canada," *op. cit.*

30 Ernst & Young and American Quality Foundation, *International Quality Study* (Cleveland, Ohio, 1991)

31 Ernst & Young and American Quality Foundation, *International Quality Study* p 30-31

The Ernst & Young report concludes that their survey results "challenge the widely held belief that Japan has organized its entire work force by teams dedicated to quality."[32] Indeed, on the face of it, American companies are more likely to have more than one-quarter of their employees involved in quality teams than firms in Japan or Germany. In the case of Canada, the margin of difference is arguably too narrow to be indicative of any broad disparity. We cannot discount the possibility that the survey is invalid owing to methodological weaknesses. However, if the results are legitimate they suggest a significant diffusion of quality-related teams among major U.S. companies. Moreover, the survey indicated that the future plans of American companies were to significantly increase the use of quality-related teams such that 70 per cent of (large) businesses would involve more than 25 per cent of their employees in these teams. In these circumstances, the pressure for emulation in Canada would be considerable. The introduction of quality-related teams could be a significant factor in the ability of Canadian subsidiaries to secure product mandates.

The Ernst & Young survey also provides potentially useful information on quality strategies. Companies were asked whether they used cycle time analysis or process simplification as quality strategies. Table V summarizes these findings:

Table V
Use of Cycle Time Analysis and
Process Simplification as Quality Strategies[33]

	% of Companies using *Cycle Time Analysis* "Always, Almost Always or Usually"	% of Companies using *Process Simplification* "Always, Almost Always or Usually"
Canada	82%	71%
Germany	47%	34%
Japan	74%	82%
United States	60%	47%

Again, one must preface any inferences with a reservation on the validity of the results. However, to the extent that the Ernst & Young survey is sound, the results indicate considerable differences across countries. Canadian business appears to be the most likely to use cycle time analysis and the second most likely to use process simplification. German companies are the least likely - by a significant margin - to employ either procedure. Cycle time analysis and process simplification are not usually associated with forms of work organization that require either increased skills of direct production workers or greater decision-making by them. This is not to say that cycle time analysis and process simplification are incompatible with these

32 Ernst & Young and American Quality Foundation, *International Quality Study* p 31

33 Ernst & Young and American Quality Foundation, *International Quality Study* p 26 - 29

types of work organization. Rather, on their own, cycle time analysis and process simplification are not sources of pressure for increased skills or greater employee decision-making.

At the beginning of this section, it was noted that unionization affects the pattern of workplace innovation. It is important to stress that the impact of unionization appears to be principally on the pattern of innovation rather than on the propensity to innovate. Long reports that "once standardized for size, there was no significant difference between unionized and non-unionized establishments in the mean number of innovations introduced."[34]

The *Working with Technology Survey* found that non-unionized firms were significantly more likely to have introduced semi-autonomous work groups, at least in large organizations. In contrast, unionized firms were much more likely to have labour-management committees. Not surprisingly, given that unionization in Canada is roughly double the American rate, the incidence of labour-management committees in Canada was substantially higher than in the United States. In smaller firms, unionization was also more strongly associated with the introduction of quality circles than was non-union status.

Relying on U.K. survey data, Long has pointed to differences in management and union preferences for approaches to "employee participation." Unions generally preferred representation models, such as joint committees. Not surprisingly, unions wanted these joint committees to address a range of workplace issues and business strategy questions, including investment. Management typically preferred direct participation by employees and informal participation through regular supervisory/work group meetings.[35]

Further insight into the effects of unionization can be derived from the updated *Working with Technology Survey*. The second *Working with Technology Survey* was undertaken by re-canvassing the respondents to the first survey. The updated survey covers the period 1986-91. Of the original 946 respondents, 224 participated in the follow-up survey. Decay in the sample caused some loss of representativeness. As a result, medium and large establishments were over-represented among the 224 respondents. So also was the manufacturing sector.[36]

The updated survey uses the term "employee participation" to capture quality

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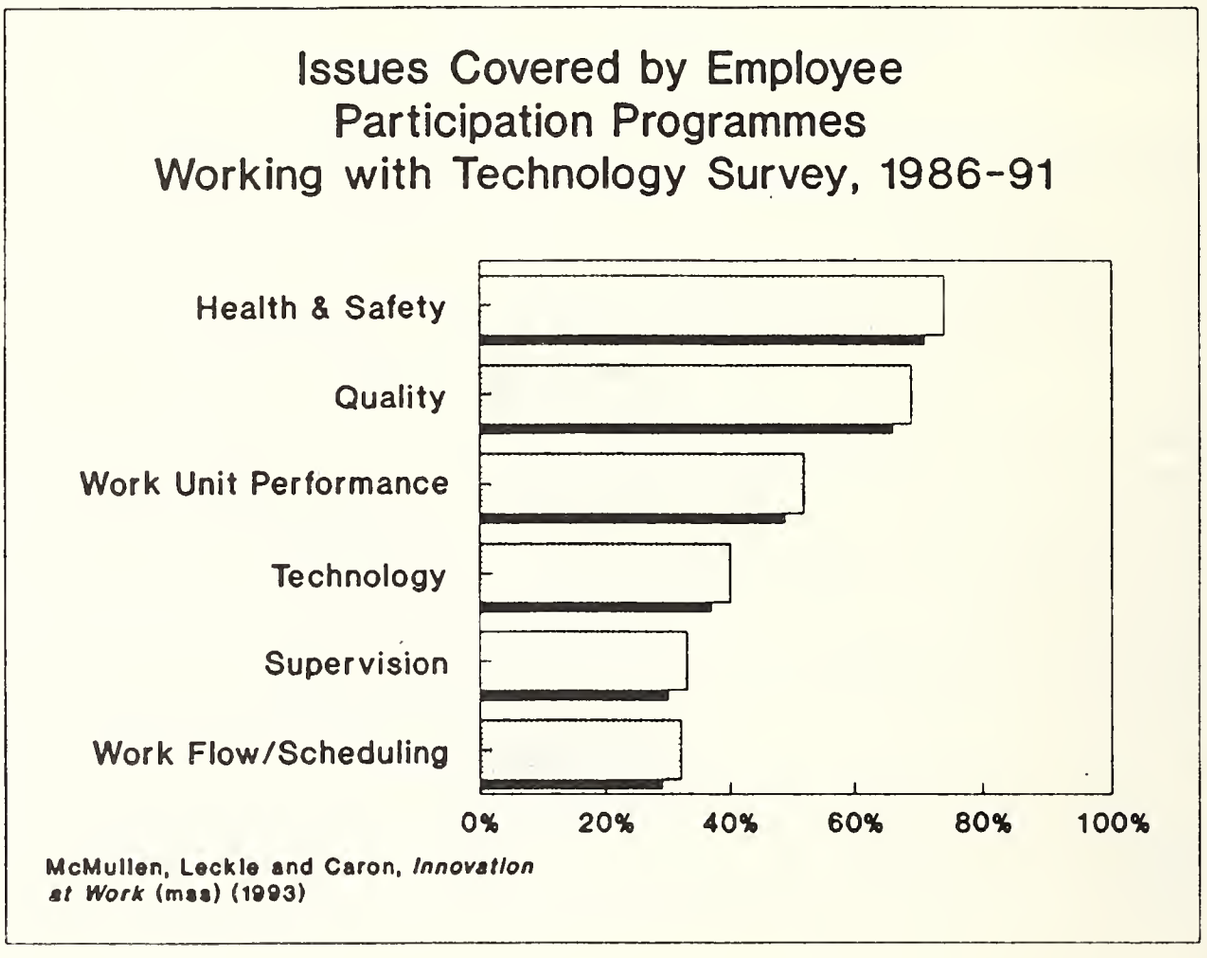
34 Long, "Patterns of Workplace Innovation in Canada," *op. cit.* p 811

35 Long and Warner, *op. cit.* pp 71 ff

36 For a discussion of the survey methodology and a more detailed comparison with the first Working with Technology Survey, refer to McMullen, Leckie and Caron, *Innovation at Work, op. cit.* pp 6-9

circles, quality-of-work-life experiments, employee involvement schemes, labour-management committees and semi-autonomous work groups. The survey indicates that approximately 47 per cent of the unionized establishments had introduced "employee participation" versus 39 per cent among non-unionized workplaces.[37] In part, this difference is attributable to the greater incidence of labour-management committees in unionized establishments. However, it should be noted that recent amendments to the *Worker's Health and Safety Act* in Ontario make the establishment of joint committees to deal with health and safety much more widespread in *both* union and non-union establishments. Consequently, the difference between unionized and non-union establishments in the incidence of joint committees ought to have narrowed in the second half of the decade. It is not surprising, therefore, that health and safety matters were the most frequently reported issues dealt with by "employee participation" programmes. Nevertheless, these programmes cover a wider range of workplace issues. These are summarized in Chart VII.

Chart VII



37 McMullen, Kathryn, Norm Leckie and Christina Caron, *Innovation at Work: The Working with Technology Survey, 1980-91*, Industrial Relations Centre, Queen's University (mss) (1993) pp 36 and 38. Overall, approximately 43% of the respondents to the updated survey reported introducing "employee participation" programmes.

It is significant that consideration of the three issues that go to the heart of work organization and greater employee autonomy in the work process, namely technology, supervision and work flow/scheduling, is significantly less frequent than consideration of quality and work unit performance.

Three other findings emerging from the updated *Working with Technology Survey* are also relevant to policy discussions:

- the introduction of "employee participation" programmes varied directly with size. Among establishments with fewer than 50 employees, the incidence level was approximately 17 per cent. Among establishments with 50-100 employees, the incidence level rose to around 37 per cent. Larger establishments reported an incidence of 55 per cent.[38]

- Canadian-owned establishments reported a markedly lower incidence of "employee participation" programmes: approximately 40 per cent versus 56 per cent for foreign-owned firms. This is consistent with the Ernst & Young finding that large American firms have turned significantly to "employee participation" at least in regards to quality issues.[39]

- Sustainability of "employee participation" programmes is difficult. Only about 58 per cent of establishments that had an "employee participation" programme in 1985 still had one in 1986. Among establishments with fewer than 100 employees, sustainability fell to around 48 per cent.[40]

The impression sometimes emerges from the case study literature that there has been a marked increase in "employee participation" programmes. While this may be true for some types of companies and in some industries, the broad picture does not support this impression. The follow-up survey found that "*the percentage of establishments reporting the existence of some type of employee participation program remained essentially the same between 1985 and 1991.*"[41]

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38 *ibid.* p 38

39 *ibid.* p 38

40 *ibid.* p 39

41 *ibid.* p 36

Significantly, the updated *Working with Technology Survey* confirms the link discussed earlier between technological innovation and changes in human resource management practices. Establishments that did not adopt new technologies in the period 1986-91 were less than half as likely to have introduced any type of "employee participation" programme. The updated survey reported that 48 per cent of new technology users had introduced some form of employee participation while only 21 per cent of non-innovators had instituted employee involvement policies.[42]

A final theme that warrants comment is the relationship between different work organization and workplace governance innovations. Richard Long has calculated covariances for the 1981-85 *Working with Technology Survey*.[43] Among the most important finding is that the adoption of semi-autonomous working groups is also associated with the introduction of pay-for-knowledge, job enrichment/rotation/ enlargement, quality circles and gain-sharing. Consistent with the argument of socio-technical systems theory, the adoption of semi-autonomous working groups appears to require the most far-reaching changes in human resource management. The adoption of labour-management committees covaries strongly with "other problem solving groups" and with quality circles. This is consistent with the view that in a unionized setting the pattern of innovation in work organization and workplace governance is different.

Part III
Conclusions and Observations

In the game of charades the players often begin with the question, "is it bigger than a bread box?... is it smaller than an elephant?" In so far as skill-enhancing changes in work organization are concerned, the answer appears to be yes to both questions. A far-reaching indicator of changes in work organization is the introduction of semi-autonomous work groups. The case study literature tells us that this innovation is strongly indicative of work redesign along the lines advocated by socio-technical systems theory. The survey evidence confirms that semi-autonomous work groups correlate strongly with other types of skill-enhancing changes in the workplace. Overall, semi-autonomous work groups were reported in 11.0 per cent of workplaces in the first *Working with Technology Survey*. In the manufacturing sector, the reported incidence was marginally lower, i.e., 10.3 per cent. The evidence for an increase between the first and second half of the decade is

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42 *ibid.* p 36

43 Long, "Patterns of Workplace Innovation in Canada" *op. cit.*, Table 4

modest.

In the manufacturing sector, three considerations suggest that changes in work organization may be proceeding more slowly in Canada than in the United States. The first is the strong evidence of a lag in the adoption of advanced manufacturing technologies. There is also evidence of less intensive use of advanced technologies among new technology adopters. To the extent that changes in work organization are technology driven, the lag in adoption would imply a lag in organizational change compared with the United States. Second, the 1986-91 *Working with Technology Survey* indicated that fewer than 20 per cent of *skilled* fabricating or assembly workers used computer-based technologies. This would suggest that the majority of manufacturers have not moved towards more skill-intensive forms of work organization in so far as their production workers are concerned. Third, according to the *1991 National Training Survey*, the proportion of manufacturing sector employees who received employer-sponsored training was 31 per cent. This was somewhat less than the national average. Moreover, this gross measure of employer-sponsored training includes instruction in health sand safety, some of which is mandatory. Also included is orientation for new employees. As well, the second *Working with Technology Survey* showed a marked drop-off in the number of hours of instruction for production workers. The training data suggests that it is unlikely that large numbers of manufacturers are adopting work organization models that entail significant increases in their training needs. This is consistent with the finding that only 19 per cent of manufacturing companies reported providing training on new technology in non-office settings. We also noted that the Ernst & Young survey showed a strong affinity among its Canadian respondents to address quality problems through cycle time analysis and process simplification. Neither procedure is identified with skill-enhancing forms of work organization.

How do these various direct and indirect indicators translate into an estimate of work organization changes that involve greater employee control over the work process and an increase in skill levels? For workplaces with 100 or more employees, we are inclined to a lower boundary of eight to ten per cent of establishments. The upper boundary is likely to be 15-16 per cent of establishments. As noted in Part I of this paper, broad survey evidence does not provide a measure of the quality of workplace change.

Among unionized establishments, it is important to observe that there is a different pattern of innovations. Changes in workplace governance, typically involving joint committee, are more important in the unionized segment of the economy. In terms of public policy, this suggests that there may be leverage in exploring in more depth the link between occupational health and safety and work organization. Joint committees appear to be an important first step in the process of work re-organization in the unionized sector. Because of the natural affinity of training issues to work organization, the mandated or encouraged use of joint training committees could provide a useful impetus to organizational innovation. Lastly, it

should be kept in mind that in the unionized sector of the economy, local union leaders operate within a broader context of their union's philosophy and objectives in work organization. Discussions and agreements that engage union structures at this general level of philosophy and objectives play an important role. In its study, *Innovation and Jobs*, the Economic Council observed that:

> "what is instructive about the experience of [other] countries is simply that the issues of organizational change, technological change, employee involvement and work redesign are widely recognized as component parts of organizational and national effectiveness. More specifically, such issues have a much higher profile in public debate, on the national political agenda and in social science research... It may be argued.... that shop-floor innovation has a greater chance of success in such a climate."[44]

The relevant conclusions for public policy in Ontario are five:

- there is no ongoing approach to measuring the incidence of changes in work organization. If work organization is to occupy a significant place in thinking about economic renewal, Ontario should consider adapting to its requirements the human resource survey programmes that have been undertaken in the U.K., New Zealand and Australia;

- changes in work organization are not widespread, though there is a core of eight to 16 per cent of establishments that have adopted significant changes;

- the manufacturing sector does not lead. It may lag both in national and in comparative international terms;

- unionized workplaces do not exhibit any less affinity to innovate in human resource management practices than non-union worksites. However, in unionized establishments - which are prominent or predominant in the transportation, communications, manufacturing, resource and public sectors - the pattern of innovation is different. Greater emphasis is placed on joint committees and workplace governance questions. This suggests that public policy initiatives that move in the direction of joint consultation may be supportive of changes in work organization even though work organization issues were not the initial motivation for mandating joint consultation.

- in unionized workplaces, the introduction of positive changes in

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44 Economic Council, *Innovation and Jobs, op. cit.* p 94

work organization could be assisted by measures undertaken at a sectoral, provincial, or national level that give these questions a higher profile in labour-management relations.

• • •

May 1993

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Section 5

The Organization Change Process

May 7, 1993

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Note:

This document represents the efforts of the various constituents of the TFOW community to express clearly and simply what they see as the essential characteristics of a successful organization change process. It is a step by step road map to implementing significant organizational change. It is recognized that the model will never be complete. The current version has the general endorsation of the authoring working group and the Task Force.

INTRODUCTION

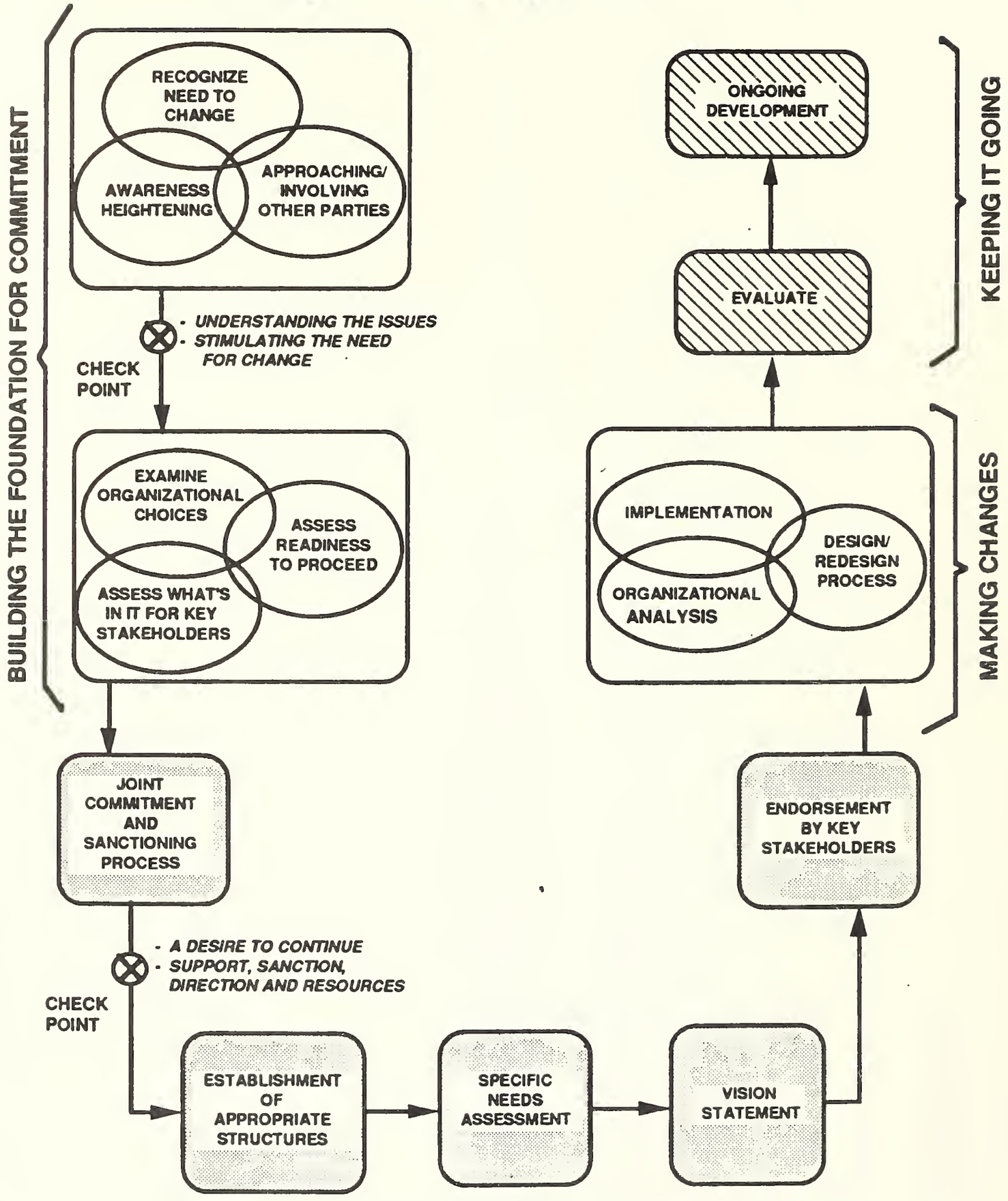
The following process map is a tool intended not to constrain but to guide the organization of work.

The map is not linear; it requires frequent looping back to reflect the learning that goes on as one moves forward in the process.

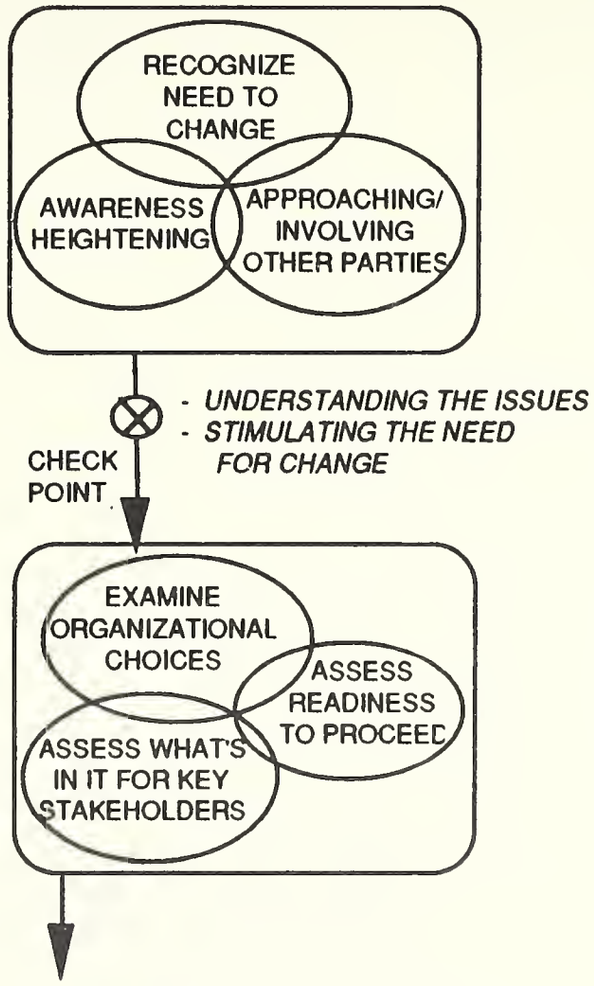
Each step in the process is important. That is not to say, however, that each step will have equal importance or demand equal attention The key issue here is that the tool has to be integrated with the parties' particular environment. In practical circumstances, the process may begin with a Vision Statement and work backwards to Build a Foundation prior to Making Changes. A step may take six months or six hours depending on the specific characteristics of the organization. The main phases of the change process can easily extend over a period of several years.

Early process relies on commitment and a preparedness to maintain flexibility so that the parties are open and can adapt to new learning as they move through the process. The change process likely requires that stakeholders learn to relate to each other in new and different ways.

ORGANIZATION CHANGE PROCESS

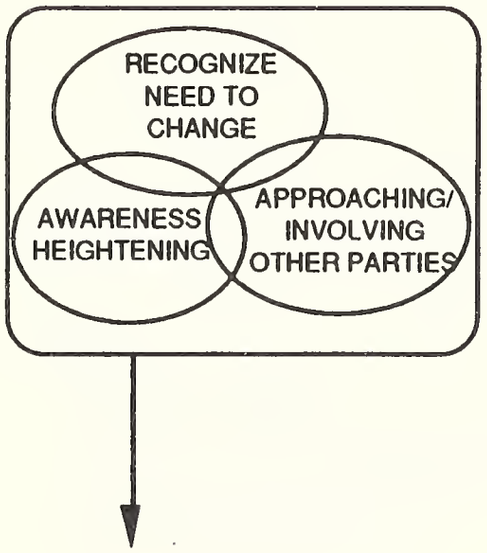


GETTING AGREEMENT & SETTING DIRECTION


RECOGNIZE NEED TO CHANGE
AWARENESS HEIGHTENING
APPROACHING/ INVOLVING OTHER PARTIES
- UNDERSTANDING THE ISSUES
- STIMULATING THE NEED FOR CHANGE
CHECK POINT
EXAMINE ORGANIZATIONAL CHOICES
ASSESS READINESS TO PROCEED
ASSESS WHAT'S IN IT FOR KEY STAKEHOLDERS

Building the Foundation for Commitment covers two phases. The first is directed at recognizing the need to change and building relationships between the stakeholders involved. The second involves examining the situation in which the organization finds itself to better appreciate its alternatives and what is at stake for everyone as they begin the change process.

Between the stages, there is a need to check how the process is proceeding. This is the first of many occasions when this change process offers a caution about proceeding to the next phase before the organization and its relevant stakeholders are ready to do so. If a solid foundation for commitment to the change is never built, the price for proceeding before one should may be an early end to the change process or a 'plateauing' after some initial accomplishments.



This first phase of Building the Foundation for Commitment is essentially a learning "muddle". It is fluid, not linear. In the *Awareness Heightening* mode, new stakeholders may be identified and approached and even the *Need to Change* may itself change. The change process may require people to learn to relate to each other in new ways.

At these early stages, the stakeholders must resist the temptation to drive too many specific 'stakes in the ground'. The process is at the 'belief' or 'philosophy' stage; the principles, concept, strategy, design and action are yet to come.

RECOGNIZE NEED TO CHANGE

Recognition may be driven by:

- a reaction to a current threat or through a strategic revisioning of the organization or a reassessment of your strengths and weaknesses.

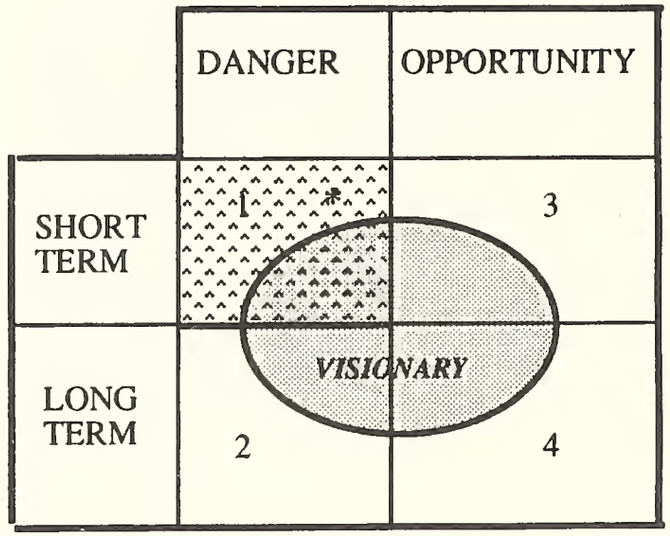
- any of the key stakeholders (company, workers, union)

based on:

- economic factors
- demographic or social factors
- social trends
- technological changes
- competitive pressures
- quality issues
- safety issues
- environmental factors

A significant number of organizations that embark on the change process do so because they have no choice - they are severely threatened and have no option if they wish to survive.

However, it is not necessary to wait until you are threatened to scan your environments, anticipate or manage change and deal with the organization of work in a pro-active manner to exploit the opportunities it offers.



The accompanying assessment instrument is one way to proactively recognize some of the factors that need to change in your organization.

* Most organizations attempt change as a reaction to immediate danger. This may actually hinder successful change. More organizations should look to opportunities, and to the longer term.

WHAT

All of the stakeholders who may be part of / affected by the change must have their interests considered.

Other parties include:

- Workers and their families
- Unions (local, national and international)
- Management (all levels)
- Customers
- Suppliers
- the Community
- Competitors
- Special Interest Groups (Environmentalists, etc.)
- Government (all levels)
- Shareholders (owners, Board of Directors)

WHY

It is critical that all stakeholders who may impact or be impacted by the change are identified. They must be communicated with, consulted, involved and invited to be in the change process from the beginning if it is to progress efficiently and effectively.

Not all stakeholders will have equal status or participation in the process in every organization but the key stakeholders (generally workers, union and management, but potentially any of the others) must be involved. Corporate groups are often critical later on in the change process and it is important not to overlook them in the early stages.

The nature of the dialogue sets the tone for how future communication will take place. The parties must approach/involve each other and establish common and overlapping interests within their separate agendas. It is also important to appreciate each others' differences.

Awareness Heightening
- Communication, Consultation & Involvement.

The objective is to share information and viewpoints among the key stakeholders as early in the process as possible to ensure that there is a common understanding (and consensus) for the need to change.

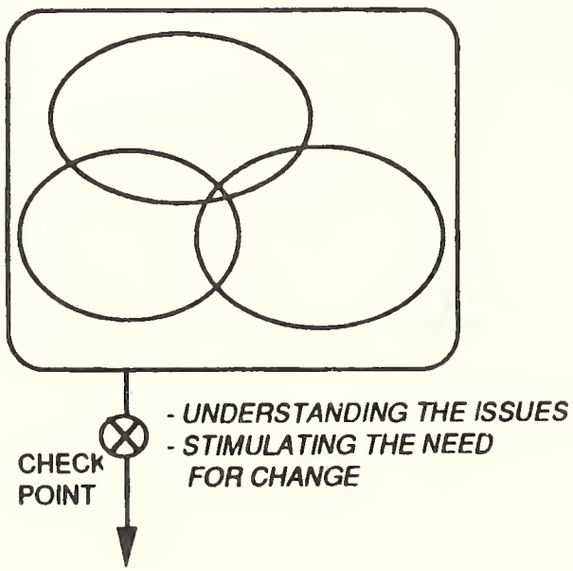
Those who will ultimately provide "sanction" for thechange process must also be considered in the *Awareness Heightening* step.

At this stage the key stakeholders acquire knowledge about the need to change (the current threat or the future opportunity) and begin to make their commitment to the change process.

- Knowledge may come from seminars, conference, workshops, site visits, films, reading or industry/business analysis.

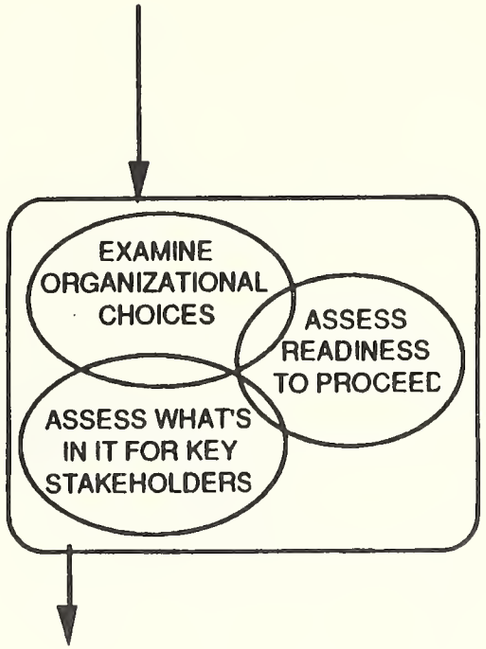
- While communication among the stakeholders should be full and open, it may be necessary, in order to maintain the identity and integrity of an individual stakeholder, to learn and acquire understanding separately.

- An expert/consultant in the field may be valuable as a connection to the outside world, to facilitate, to dialogue, etc.



As the stakeholders move from one phase to another, they build their commitment to each other and the process. These are the early stages of building trust.

The key stakeholders must ensure that they jointly agree on the basis for proceeding. It should also be understood that the parties may agree to proceed on the basis of agreement to disagree on certain issues.



As with the first phase of Building the Foundation for Commitment, the second phase is still a learning 'muddle'. If the organization's stakeholders have begun to build the necessary relationship(s) in the first phase and have confidence that they understand what they are undertaking, they then commence an examination of the situation in which they find themselves.

The joint examination of what their alternatives are, of what the changes will mean to the different stakeholders and the assessment of what is required to succeed with the change process is the process that builds the commitment needed to overcome the many difficult undertakings ahead.

WHAT

WHY

The key stakeholders identify and agree to the type and direction of change.

Depending upon the basis for change, the options may range from:

reorganizing the work to considering new or alternative technologies and technical systems to changing the basis for how the organization produces or provides its service.

Having recognized and agreed upon the need to change the key stakeholders begin to examine their options.

Generally, the stakeholders begin by benchmarking their organization against others.

The accompanying assessment booklet is a tool to carry out this comparison.

The key stakeholders, as they build commitment, begin to identify the principles and concepts that will become the core of the Vision Statement and which they will continuously test their decisions and actions against.

The first tentative step at articulating the principles upon which the remainder of the journey will be tested. They will be constantly reviewed and reconfirmed as the stakeholders move forward.

The parties make statements about the principles and values for themselves.

A cultural change can heighten resistance and raise unrealistic expectations.

The key stakeholders evaluate their commitment to deal with the ambiguity and uncertainty of change. This can cause pain and dislocation and these consequences must be dealt with. Are they ready to reassess why and how they do what they do and make a commitment to each other to begin the journey and to stay with the change process?

The stakeholders must address a series of questions:

- What commitment is required?
- What resources are available?
- What are the risks?
- What are the barriers? What are the opportunities?
- What training is necessary?
- Should our commitment be in writing?
- Where do we start?

Start with good projects where there are possibilities of success. Some parts of the organization may be more ready than others.

These successes can build trust and confidence

The key stakeholders must understand what they, individually and collectively, have as objectives for the change.

These objectives may include:

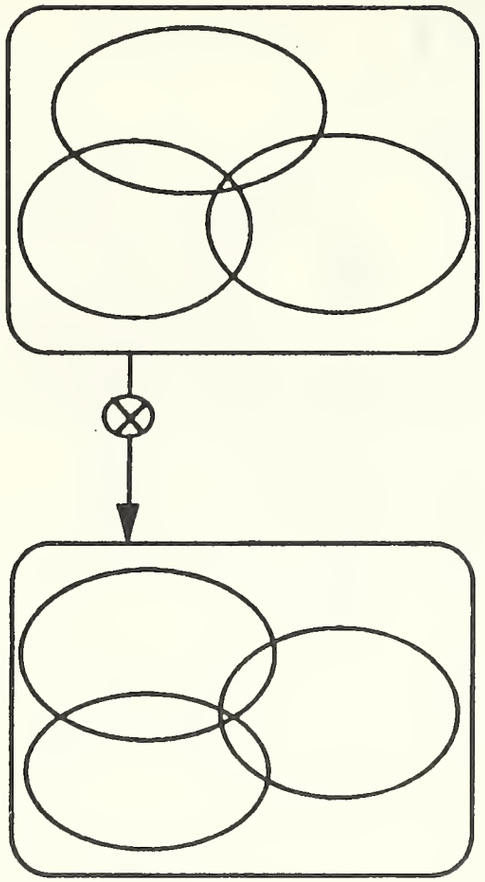
- greater employment security
- higher performing organization
- a stronger more viable union
- greater opportunities for participation, ownership and decision making at work
- power, autonomy and fun
- increased profitability
- increased responsibility
- upgrading skills and knowledge
- long term survival

These objectives will generally form the basis for :

(a) the selection of areas of benchmarking, and

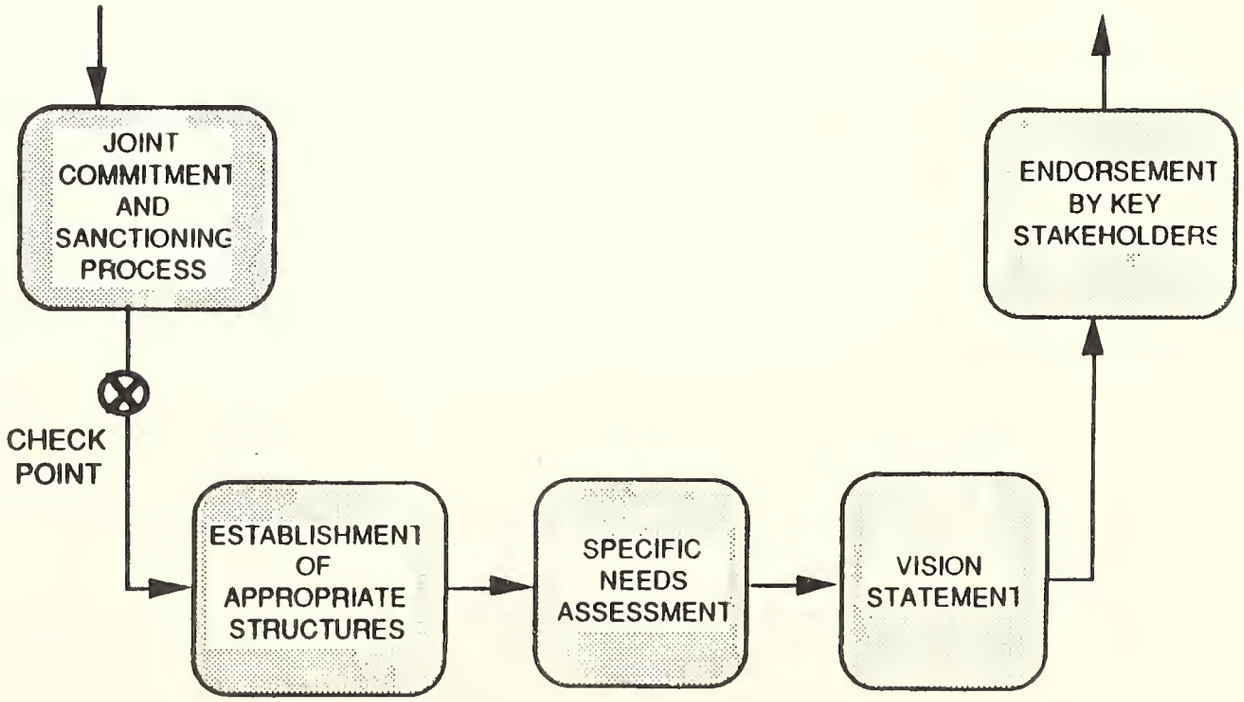
(b) the foundation of the *Vision Statement*

Again, this phase is fluid and the stakeholders may move back and forth among the individual components as their knowledge increases.



The new or improved relationship between the stakeholders will foster a shared examination of the alternatives available to the organization. By having carried out a joint assessment of *Readiness to Proceed, the* organization will have built a *Foundation for Commitment* that will make it easier to enter the next major phase in the change process.

This phase of the change process begins and ends with obtaining agreement from the key stakeholders about how the process is proceeding. During this phase, change structures are established, detailed needs are specified and a vision of what the changed organization will look like and how it will function begins to emerge. The foundation that was buitd in the previous phase begins to be cemented in place by commitments, by structures and by philosophies that all those involved are committed to support.



GETTING AGREEMENT AND SETTING DIRECTION

The key stakeholders commit to each other to move forward to the next step of the change process.

KEY STAKEHOLDERS

Management may look for executive or first line endorsement; Unions may seek national (international) or worker approval.

Resource (money, time and people) commitment is made.

This is the start of a commitment to continue to work together. There is an acceptance at this point of a joint responsibility on the part of the key stakeholders to engage the next steps.

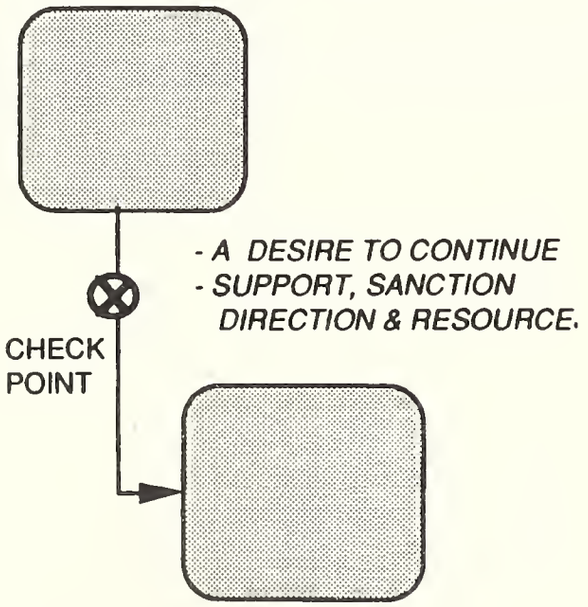
The interests of secondary stakeholders may also need to be reviewed.

If this step is not well done, the stakeholders risk a withdrawal of support or disapproval of the process at a later date.

It requires some explanation of possible outcomes and the establishment of boundaries of where the process might go.

Again the temptation to become too specific has to be resisted. Much more has yet to be learned as the parties move to strategy design and action.

Future check points identified

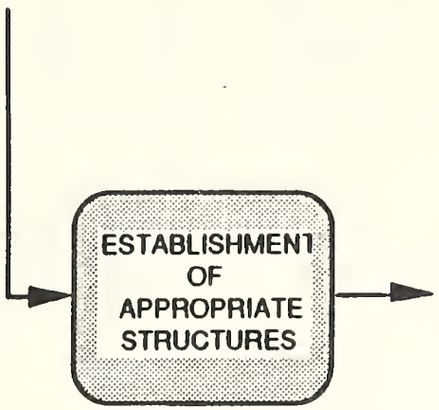


As stakeholders move from one phase to another, they build their commitment to each other and the process. They, therefore, must ensure that they jointly agree on the basis for proceeding.

Note:
It should be understood that the parties may agree to proceed on the basis of agreement to disagree on certain issues

Establishment of Appropriate Structures

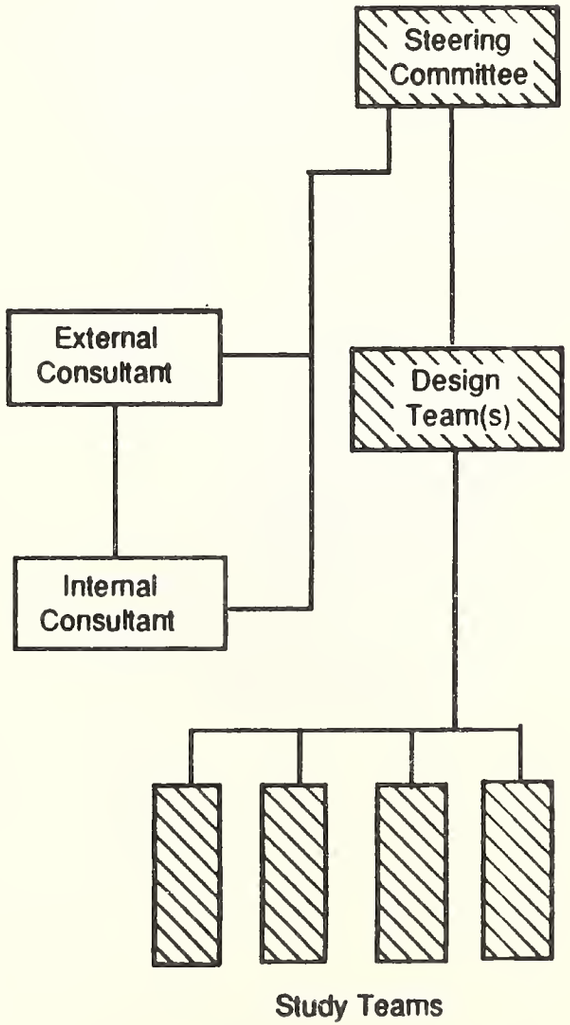
WHAT



As an alternative to the normal organizational structure, it may be necessary to establish a new structure, such as the "parallel" arrangement illustrated on the 'A' and 'B' pages that follow.

WHY

Parallel structures are not the only way to proceed. Some organizations can follow the change process successfully within their existing organizational framework. However, most can not. Traditional authority and control relationships often get in the way of developing alternative and/or innovative ways of organizing work.



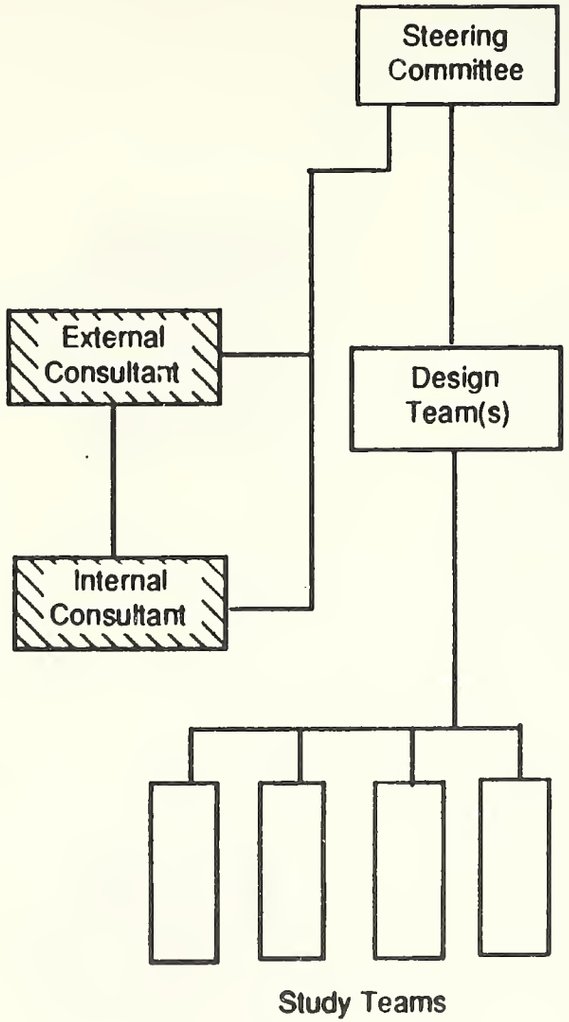
Steering Committee
- provides support and resources
- defines goals, boundaries
- designates priorities
- approves design team recommendations
- ensures consistency with corporate goals

Design Team (s)
- identifies needs/opportunities
- prioritizes (with S.C.), forms study teams
- defines objectives/guidelines for study teams
- provides assistance to study teams
- reviews study teams recommendations
- monitors progress of effort

Study Teams
- fully define issue(s) assigned
- do necessary organizational analysis
- develop options to address issue (s) consistent with philosophy
- do cost/benefit/risk/feasibility analysis
- develop implementation strategy
- submit recommendation to Design Team
- participate in communication

It is highly desirable that this change process be participative and foster as much involvement as possible from all members of the organization. This is crucial to ensure a high level of commitment and ownership to the final product.

This particular structure may be modified to fit the organization's needs, e.g., Steering Committee and Design Team combined or work groups accountable for implementation in place of Study Groups.



Role of External Consultant

- provide information and education during awareness heightening stage
- facilitate establishment of specific needs and development of vision statement
- train organization in use of analytical tools e.g., technical and social system analysis
- train internal resource so that expertise is developed within the organization
- facilitate steering committee and design team meetings

Role of Internal Consultant

- provide direction re process of ongoing design in accordance with philosophy statement
- facilitate work of groups involved in ongoing design
- procide necessary training to develop skills within organization in support of objective of self-management, e.g., problem-solving, decision-making, conflict resolution, communications, etc.
- monitor oganization re adherence to philosophy statement and plant norms, and provide appropriate feedback
- develop process for corrective action when deviation from philosophy statement and norms are detected
- work with various teams and committees to help them develop effectively
- keep abreast of external happenings and bring back to the organization experiences/learnings of others
- interface with head office and other plants

This is the key analytical step which will chart the move from the abstract (values) to the concrete (facts). The gap between where the organization is now (current state) and where it wants to be (future state) needs to be clearly understood and articulated. The barriers to "bridging the gap" need to be specifically understood by the parties.

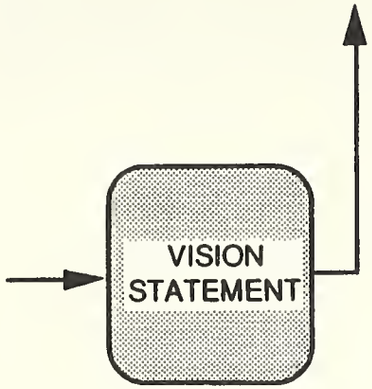
The assessment is not confined to the existing boundaries of the organization. Suppliers, customers and competitors are all important parts of the organizational network. Benchmarking against others is also an important part of the process.

The change process is "iterative" and needs are likely to be assessed and reassessed because they may have changed during the organizational change process.

The needs analysis refines the earlier analysis by the stakeholders. (The accompanying assessment instrument can assist with the *Specific Needs Analysis*.)

Specific needs may differ for the different stakeholder groups and will likely vary with short vs. long term goals. However the process must be a joint one between the key parties and can serve as a "reality check" on each party's expectations.

Detailed comparisons with comparable organizations, or relevant comparable dimensions in different organizations, will be carried out by careful benchmarking to set realistic and achievable targets.



This statement converts the mission or strategy of the organization into words that reflect how the organizational will approach and conduct its everyday and its future operations.

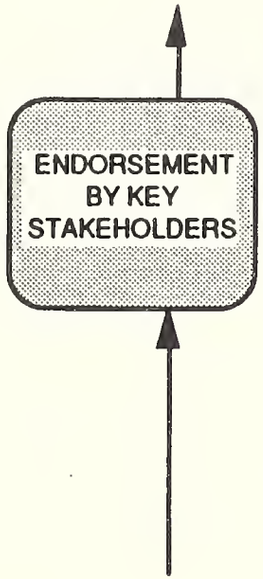
Underlying the vision statement of the organization are the values and principals held by the key stakeholders. The remaining stakeholders may or may not be involved in developing the vision statement, but they must accept it and coordinate their own interests to reflect it.

A clear, strong, and acceptable vision statement is an important symbol to the key stakeholder. It represents a commitment to an alternative and desirable way of organizing the workplace.

There are alternative ways to achieve the mission or strategic goals of an organization. By stating their vision clearly, the organization's stakeholders make it very clear that there is a particular way that they wish to see the organization accomplish its mission.

As organizations engage in innovative ways of working, there will be very little precedent or experience to guide them through the new situations they will encounter. The vision statement is a philosophy or a set of concepts that can provide guidance each time an unfamiliar situation arises.

The assumptions that lie behind many of the actions and decisions that organizations take are usually not made explicit in traditional organizational arrangements. Vision statements, concepts about how the organization will work, or philosophy statements that describe the beliefs of the members of the organization make the assumptions clear and known to everyone in the organization. If the organization is to move in the direction of having more information sharing and openness and developing more trust, it is necessary for such assumptions and values to be openly stated, cooperatively developed, and accepted.

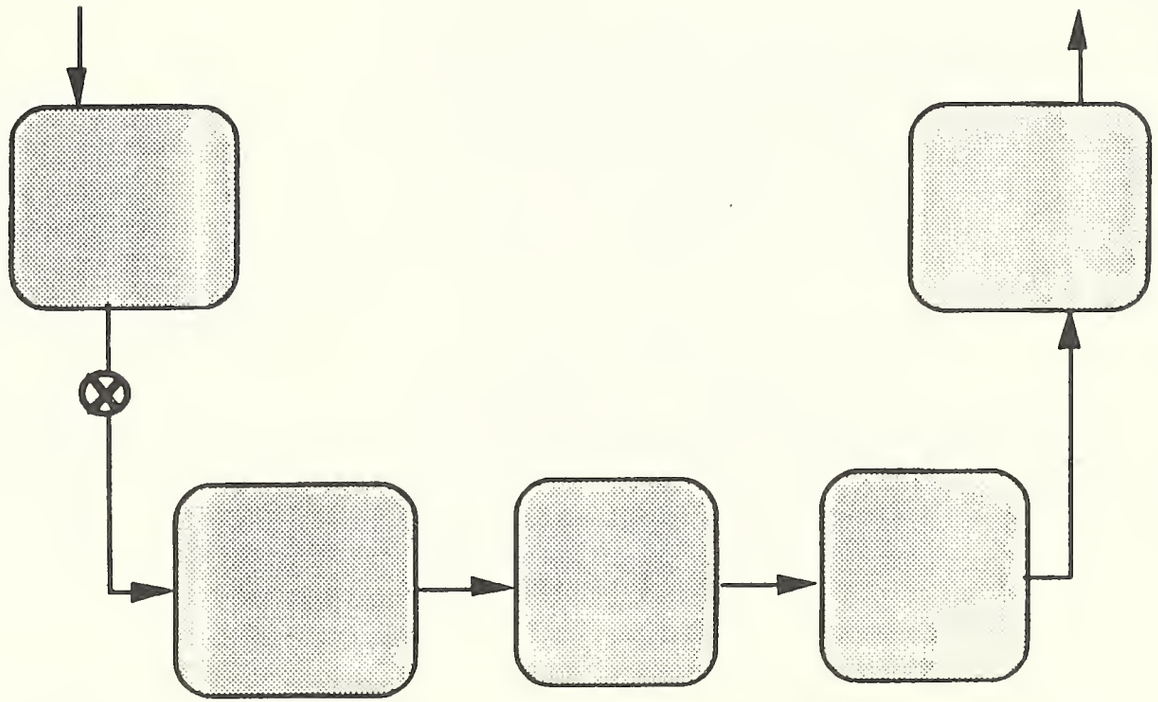


This is a "reality check" of the intent and direction of the changes against the vision and philosophy.

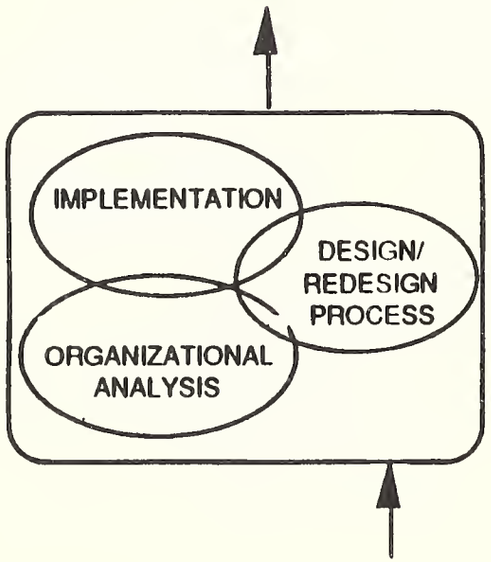
At this step, legitimacy for the intended direction is sought. Management must provide sanction and understand that it includes a commitment to provide the necessary support in terms of resources and ongoing direction. Unions need similarly to ratify the intended changes with their members and similar processes of sanctioning must be conducted in non-union settings.

The key parties must also involve their respective networks, for example, top management or divisional management or the national headquarters of the union, otherwise they may withdraw their support later on in the process.

On completion of this phase, appropriate strucures will be in place to proceed with detailed changes to the organization's functioning. A vision of what the future organization will be like will have been developed. Specific needs to work towards will be established. The endorsement of the key stakeholders reinforces the existence of a high commitment work organization.



GETTING AGREEMENT & SETTING DIRECTIOI



In this phase, the change process moves on to the detailed process of analyzing existing and intended operations and designing and implementing alternative arrangements to put the changed organization in place.

This is the phase where the detailed work of changing the organization design and implementing the changes takes place. It begins with analysis of existing operations, when they exist, or with the design of 'greenfield' operations, when the facility is to be a new one.

There are also a range of situations in-between existing or 'redesign' operations and new or 'greenfield' facilities, such as when an existing work force moves to a new location, or when a portion of an existing location is completely restructured and new technology and equipment is installed

Too many organization begin the change process at this phase without going through all the earlier stages. This is usually the result of adopting the latest organizational "fad" without thinking through all the steps and stages described in the previous pages. Almost all initiatives that begin at this phase fail, some almost immediately - by never really getting started, others soon after - because neither trust nor commitment nor understanding of the future have been developed.

The organization's context is scanned as an important input to the internal analysis.

To remain effective, organizations must continuously adapt to their changing environments..

The flow of the technical system of doing the work is analyzed in detail and key variances that impact effectiveness are determined.

Many technical systems have evolved over long periods of time and little attention is paid to the inefficiencies that have accumulated. Technologies now provide many more options for the design of work than we have had in the past.

Organizational arrangements are analyzed both in terms of the impacts on individual jobs as well as on the ability of the organization to achieve its goals, to adapt to short term changes, to coordinate its activities and to foster long-term development.

Social systems are too often analyzed only at the level of individuals and their jobs. It is important to analyze the larger social system and study its impact on the work of the organization.

A good fit between the social and technical systems is necessary.

The analysis is conducted with representation from the key stakeholder groups who will also be involved in the design/redesign process and in the implementation of any resulting changes.

Participation of those who are most familiar with the work is essential to understanding the flow of work.

Design and redesign must incorporate the input of the people who will actually do the work that is being redesigned.

Some design processes are accomplished through the normal organizational strucure; others through parallel structures of steering committees, design and implementation teamsor work groups (see pages 18-20, *Establishment of Appropriate Structures*).

The design and redesign process is guided by *Vision, Principles, and Philosophy Statements* and *Specific Needs Assessment,* i.e. How does this redisign "bridge the gaps" between the current and future states ?

Organizational structure, support systems, people (knowledge, training and skills), clear role and responsibility definitions, formal and informal inter-relationships between the key stakeholders are some of the key elements with which the design process must deal.

The fit between the organizational and the technical analyses is examined as a basis for the design/redesign process.

Redesign should be carried out in consultation with and with the involvement of those who know both the way work is done currently (because they do it) and the objectives of the future state. This is critical in achieving a successful design both from the point of knowledge and, equally impotant, ownership of the results.

Boundaries and constraints must be respected, e.g., collective agreements between key parties or limits on capital investment. The design/ redesign process must take account of the systemic and interdependent nature of organizations.

Innovation in organizational design will result from a willingness to undo traditional thinking and to imagine "ideal" ways of organizing.

The designs proposed must be fed back to those who have a stake in them and compared with the needs established through the different levels of analyses.

The intensity of the beliefs held about different design approaches will affect the particular design alternatives selected. So, too, will the commitment elicited from key stakeholders and sanctioning bodies

Implementation covers a wide range of activities that may include physical and organizational restructuring, the detailed development of procedures and methods, installation and set-up of new equipment, training,etc. Implementation activities are sometimes tedious and momentum of earlier analysis and design efforts are difficult to maintain.

Implementation is carried out by those who will operate the organization after design or redesign.

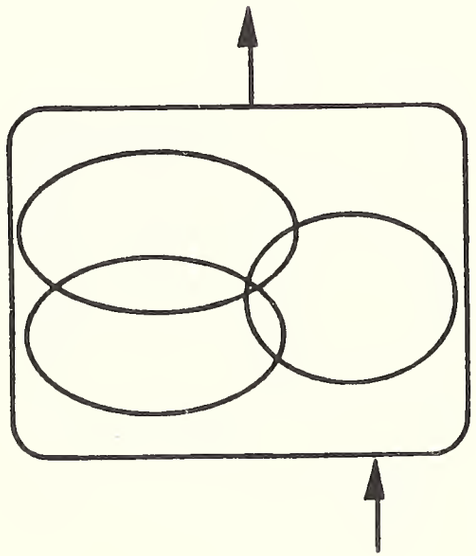
Implementation activities are constantly checked against decisions taken and plans and processes developed at earlier stages of the change process.

It is important for "micro-implementations" to occur throughout the change process to provide a sense of purpose and to validate the relatively abstract Vision Statement cited earlier.

This is a comprehensive stage in the process which involves considerable detail where such is necessary, but which constantly strives to leave some flexibility for future change and for the fact that learning systems continuously evolve.

Implementation should be a natural extension of the earlier involvement of all those affected by the proposed changes. Not all members of the analysis and design activities will become members of the implementation stages - but enough will to provide continuity and knowledge of the purposes of the proposed changes.

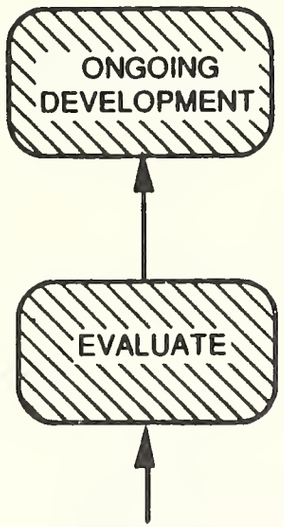
Monitoring for alignment with design decisions made and with overall philosophy and strategic goals is continuous.



This phase ends with *Implementation*, but since *Implementation* is interdependent with *Organizational Analysis* and *Design/Redesign*, this phase makes it clear that Making Changes is a continuous process.

Since organizations are imbedded in external environments that are constantly changing, they too must change. Within the visions of the future that are likely to arise here, people in the organization will continuously learn. As they do, the situations which surround them will adapt to their learning and change will become a continuous process.

WHAT

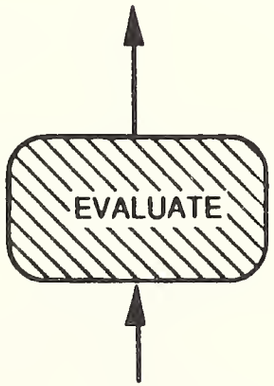


The phase of the change process called *Keeping it Going* refers to the need to sustain what has been accomplished and to continuously monitor progress to ensure that the different targets and goals and ways of organizing are being adhered to.

WHY

Sustaining changes is at least as difficult as initiating and implementing them in the first place.

However, sustaining change is a different process from that involved with *MakingChanges*. It usually calls for different ways of working, different approaches, and sometimes the responsibility for sustaining the change process may shift to different people.

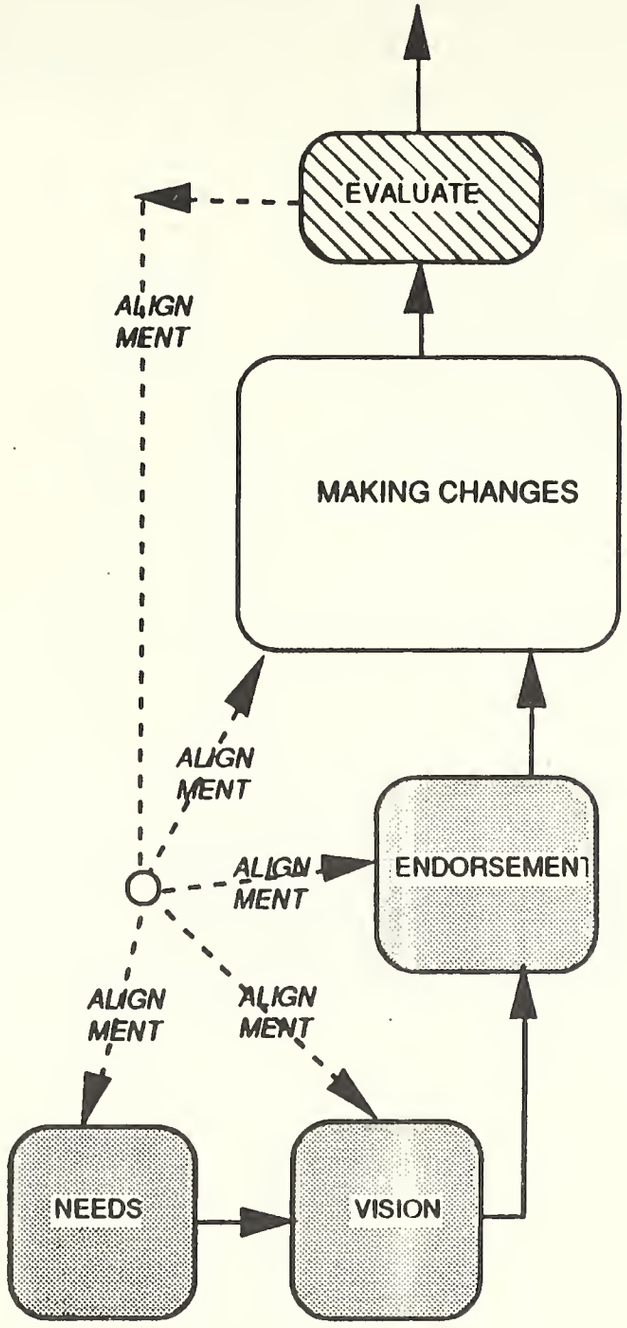


As *Implementation* proceeds, early and ongoing outcomes are monitored and compared with mission and *Vision Statements* and with intended designs.

Stakeholders affected by the change process are integral parts of the evaluation step and can provide early feedback on the effectiveness of the changes.

Evaluation is a process of continuously monitoring the progress of the changes made and comparing the measurements with intermediate and final targets to assess if there continues to be 'alignment' with the different targets.

The period of time from the start of the change process to this stage may be quite long and despite the continuous checking along the way, the outcomes can fall short of earlier intentions and be too readily accepted because it is "good enough."



WHAT

It is necessary to continuously check how the change process has affected decisions made at earlier stages and phases of the change process.

WHY

Are the outcomes still in alignment with *Specific Needs Analysis*, the *Vision Statement*, the *Endorsement By Key Stakeholders* and all the details developed in the *Making Changes* phase.

Ongoing design needs continuous development
- some changes will work well
- some changes will need changes

Changes should be strongly related to business changes.

There is a need to continuously monitor and adjust.

This phase includes an emphasis on 'stock-taking', e.g., by taking representatives (including those of suppliers and customers) off-site to take stock.

The reality of new work organization will change people's expectations.

Section 6

A Tool for Dialogue About The Quality of Your Workplace and The Organization of Your Work

Preliminary Draft

Task Force on the Organization of Work
Premier's Council on Economic Renewal

May 10, 1993

Authors:

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Note:

This set of questions is designed to support a dialogue between the workplace parties on how their workplace measures up. The tool serves as a first step in helping organizations recognize the need for improving work organization and can be integrated with the organization change process model.

While the present version of the tool does not necessarily represent the views of each of those involved in the various stages of its development, the current version has the general endorsation of the Task Force on the Organization of Work. It is recognized that it would benefit at this stage from extensive field testing and that it will ideally be subject to customisation to meet the particular needs of the individual workers and workplaces of Ontario.

INTRODUCTION

CHANGE CHANGE CHANGE

How will you and your organization adapt? Will you prosper? Will you even survive?

These days more and more individuals and organizations are compelled to look deeper into themselves and really try to understand the forces that are shaping their world and affecting their well-being.

Would you like to look into yourself and your organization? Would you like some help?

The Premier's Council on Economic Renewal formed a "Task Force on the Organization of Work" to seek and compile information about Ontario organizations that have been successful in responding to today's rapidly changing environment. It discovered that one common element appeared to be a willingness to openly question traditional beliefs and attitudes and to challenge traditional notions of work organization, structure, and power. It has often been found that well-performing organizations have a shared understanding between all employees/workers of the goals of the organization and of its workers.

Out of this research, the following questionnaire was developed. It is intended to assist those individuals and organizations who wish to diagnose their own workplace, its organization, quality and work experience, and chances of survival.

The questionnaire is not a test or a survey. There are no right or wrong answers. It is intended as a tool to promote better understanding by individuals and organizations of their own unique situation.

Not all questions are relevant to every organization and not everyone will be able to answer all the questions. That is okay. What is important is the process of trying; the most valuable outcome is the dialogue that will be sparked within the organization.

The questionnaire is a personal tool, intended to be answered individually. What matters is the individual's perception of the well-being of their own workplace. Then, once individuals have had an opportunity to respond to the questionnaire, they should meet within small groups to share their answers and reflect on their points of view. The questionnaires should not be handed in or collected for compilation.

The objective is to begin a dialogue within work groups, departments, and ultimately the entire organization about the well-being of the organization.

This is a voyage of self-discovery. Good Luck!

* For more information on the Premier's Council and the Task Force on the Organization of Work, see Appendix #.

NEXT STEPS

We hope that this questionnaire will spark a dialogue in your organization. It is important at this stage that you and your group commit to further action. Organizations are finding that the environment is changing so rapidly that there is a need for urgent response. We encourage you to discuss this with your co-workers and there are other tools available to assist you in this. The attached Vision Statement and Organizational Change Process documents are examples to tools which can help you move to the next steps.

For further information, contact ...

WORKPLACE CULTURE AND PROCESS

These questions deal with relationships in the workplace between workers and employers. Workplace culture is about "how things get done around here". The ability to respond quickly to change is often characteristic of a workplace with fewer management layers and a high level of worker participation. Workers are also likely to be more involved, motivated and effective if there is a high degree of openness, independence and information sharing.

*Worker Participation in Decision-Making **

There are many ways of arriving at decisions and only you can determine what you think would work best in your workplace. Many believe that outcomes tend to be more effective if the workers who are affected are involved in the decision-making process.

1. How much do you agree or disagree with the following statements?

	Present	Past
I have a lot of say over how decisions are made.	1 2 3 4 5 strongly disagree strongly agree	1 2 3 4 5 strongly disagree strongly agree
I can modify decisions made by other people.	1 2 3 4 5 strongly disagree strongly agree	1 2 3 4 5 strongly disagree strongly agree
Going through proper channels is constantly stressed.	1 2 3 4 5 strongly disagree strongly agree	1 2 3 4 5 strongly disagree strongly agree
Written orders from higher up are followed without question.	1 2 3 4 5 strongly disagree strongly agree	1 2 3 4 5 strongly disagree strongly agree
Workers are often permitted to use their own judgement as to how to handle various problems.	1 2 3 4 5 strongly disagree strongly agree	1 2 3 4 5 strongly disagree strongly agree
A person can make his/her own decisions here without checking with anybody else.	1 2 3 4 5 strongly disagree strongly agree	1 2 3 4 5 strongly disagree strongly agree
I have control over what I do on my job.	1 2 3 4 5 strongly disagree strongly agree	1 2 3 4 5 strongly disagree strongly agree

WORKPLACE CULTURE AND PROCESS continued

Worker Participation in Decision-Making continued

1. (continued)

	Present	Past
I feel that my involvement in improving work processes could cause layoffs, either my own or someone else.	1 2 3 4 5 strongly disagree strongly agree	1 2 3 4 5 strongly disagree strongly agree
I feel that my union's involvement in joint activity with the employer could lead to layoffs.	1 2 3 4 5 strongly disagree strongly agree	1 2 3 4 5 strongly disagree strongly agree

2. Are you involved in decision-making in the following areas?	Present yes	Present no	Past yes	Past no
Financial	☐	☐	☐	☐
Productivity	☐	☐	☐	☐
Quality	☐	☐	☐	☐
Innovation	☐	☐	☐	☐
Training	☐	☐	☐	☐
Technological Change	☐	☐	☐	☐

3. Does your work make a significant difference to the operation of the organization?	☐	☐	☐	☐

WORKPLACE CULTURE AND PROCESS continued

Worker Participation in Decision-Making continued

	Present		Past	
	yes	no	yes	no
4. Do the workers have a collective voice?				
Through a union.	☐	☐	☐	☐
Through work groups / teams.	☐	☐	☐	☐
Through a representative committee	☐	☐	☐	☐
No collective voice.	☐	☐	☐	☐

5. How would you describe the decision-making process in your workplace?	Check a box
Workers never participate in decision-making.	☐
Workers never participate, but are sometimes asked for their opinions and suggestions.	☐
Workers and management jointly decide about many important things concerning their work.	☐

* Some questions in this dialogue tool have been adapted from Donald V. Nightingale - Work Place Democracy: An Inquiry into Employee Participation in Canadian Work Organizations. Appendix III Research Instruments and Measures. Toronto: U of T Press, 1982.

WORKPLACE CULTURE AND PROCESS continued

Labour Management Relations

This deals with the nature of the relationship between workers and management. The level of equality and sharing of power is often a good indicator of the quality of the relationship. A workplace which works hard at developing a positive, joint relationship tends to attract and keep the best workers.

6. Does your workplace have a formal process to resolve conflicts? yes ☐ no ☐

   If so, how effective do you think this process is?

   very ineffective ——— very effective

7. Does your workplace have a formal process to resolve conflicts? yes ☐ no ☐

   If so, how effective do you think this process is?

   very ineffective ——— very effective

	This year	Last year	Your thoughts, ideas or suggestions
8. Management Worker Relations How favourable do you believe that the relationship is between workers and management?	1 2 3 4 5 adversarial — non adversarial	1 2 3 4 5 adversarial — non adversarial	
9. Grievances/Conflicts At what level would you rate grievances / conflicts in your workplace?	1 2 3 4 5 low — high	1 2 3 4 5 low — high	
Other Indicators: 10.	1 2 3 4 5 low — high	1 2 3 4 5 low — high	

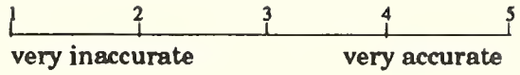
WORKPLACE CULTURE AND PROCESS continued

Information

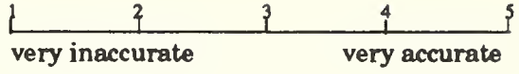
The accessibility of information in a rapidly changing workplace is important in order to enable workers to respond effectively. It has often been found that the more open the information-sharing, the higher is the level of trust and the quality of all workplace relationships.

11. How accurate is the information you receive from:

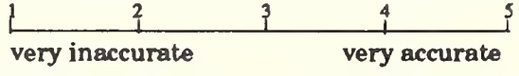
Your supervisor?



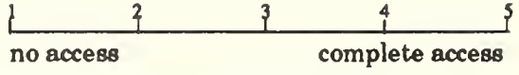
Your co-workers?



People you supervise?



12. How simple is it for you to gain access to information about the company?



access with permission

Openness

13. How free are you to express your point of view? (please check one)

	Present	Past
I cannot freely express my point of view at all.	☐	☐
I can express my point of view to my co-workers, but not to my supervisor.	☐	☐
I am uncertain of whether I can freely express my point of view.	☐	☐
I can express my point of view, but sometimes it's risky.	☐	☐
I can express my point of view on a few matters, but not all matters.	☐	☐
I can always express my point of view on anything.	☐	☐

WORKPLACE CULTURE AND PROCESS continued

Structure

The number of layers of management is often a reflection of the culture. It directly affects how easily you can get your job done.

14. Do you know how many levels of management there are from the front line worker to the most senior manager in your workplace?

Present		Past	
yes	no	yes	no
☐	☐	☐	☐

If yes, how many levels are there? _____

	Present	Past
15. Do you think the structure in the company is interfering with timely decision-making?	1 2 3 4 5 a lot some not at all	1 2 3 4 5 a lot some not at all
16. How much flexibility is there in the way you do your job?.	1 2 3 4 5 no flexibility very flexible	1 2 3 4 5 no flexibility very flexible

	yes	no
17. Do you have work groups / teams?	☐	☐

If yes, describe what they do and how they operate.

_____

_____

_____

_____

_____

WORKER WELL-BEING

These questions deal with the satisfaction, welfare, skills and personal development of all workers. Many people believe that the health and well-being of the workers positively affects the success of the workplace.

Training and Development

This evaluates the investment which your workplace makes in the workers. It seeks to assess how prepared workers are in coping with new forms of work organization, necessary to respond to issues such as the introduction of new technology.

	Present		Past		Effectiveness
18. Total training time you receive on your job for:					
Skills Development /Upgrade	Too much	☐	Too much	☐	1 2 3 4 5 low high
	Too little	☐	Too little	☐	
	Just right	☐	Just right	☐	
Personal Development i.e.: group effectiveness, problem-solving	Too much	☐	Too much	☐	1 2 3 4 5 low high
	Too little	☐	Too little	☐	
	Just right	☐	Just right	☐	
New Technology	Too much	☐	Too much	☐	1 2 3 4 5 low high
	Too little	☐	Too little	☐	
	Just right	☐	Just right	☐	
Training Effectiveness	Too much	☐	Too much	☐	1 2 3 4 5 low high
	Too little	☐	Too little	☐	
	Just right	☐	Just right	☐	

WORKER WELL-BEING continued

Working Conditions / Health and Safety

These questions assess how safe and healthy you believe your workplace is. Many workers believe that the issue of health and safety is one of the most important elements of their work, affects their morale and livelihood, as well as their productivity.

	This year	Last year	Your thoughts, ideas or suggestions
19. Rate of Injury How would you judge the injury rate at your workplace?	1 2 3 4 5 low high	1 2 3 4 5 low high	
20. Health & Safety Committee How would you rate the effectiveness of your health and safety committee?	1 2 3 4 5 low high	1 2 3 4 5 low high	
21. Absenteeism Level How would you rate the absenteeism level in your workplace?	1 2 3 4 5 low high	1 2 3 4 5 low high	
22. Other Indicators	1 2 3 4 5 low high	1 2 3 4 5 low high	
23.	1 2 3 4 5 low high	1 2 3 4 5 low high	
24.	1 2 3 4 5 low high	1 2 3 4 5 low high	

		yes	no
25. Benefits Provided	Pension plan (other than C/QPP)	☐	☐
	Extended medical/hospital insurance	☐	☐
	Dental insurance	☐	☐
	Paid sick leave	☐	☐
	Long-term disability insurance	☐	☐
	Supplementary unemployment benefits	☐	☐
	Other _____	☐	☐
	Other _____	☐	☐

	This year	Last year	Your thoughts, ideas or suggestions
26. Physical Surroundings How would you rate the physical surroundings of your workplace?	1 2 3 4 5 poor excellent	1 2 3 4 5 poor excellent	
27. Morale How strongly do you agree that your organization is a "good place to work"?	1 2 3 4 5 strongly disagree strongly agree	1 2 3 4 5 strongly disagree strongly agree	

Working conditions / Health and Safety continued

	Present	Past
28. Stress How stressful do you feel your workplace is?	1 2 3 4 5 very stressful not stressful	1 2 3 4 5 very stressful not stressful
29. Pace of Work How would you rate the pace of work?	1 2 3 4 5 too high just right too low	1 2 3 4 5 too high just right too low

30. How much has the way you do your job changed from the past?

- It has changed a lot ☐
- It has changed a little ☐
- It has not changed at all ☐
- The change has been manageable (not too much, not too little) ☐

31. Has the change had an impact on you?

- It has made things better ☐
- It has had little impact ☐
- It has made things worse ☐

WORKER WELL-BEING continued

Working conditions / Health and Safety continued

32. How much do you agree or disagree with some of these statements?

	Present	Past
My future with the organization is secure.	1 2 3 4 5 strongly disagree … strongly agree	1 2 3 4 5 strongly disagree … strongly agree
I get a feeling of personal satisfaction from doing my job well.	1 2 3 4 5 strongly disagree … strongly agree	1 2 3 4 5 strongly disagree … strongly agree
I work hard at my job.	1 2 3 4 5 strongly disagree … strongly agree	1 2 3 4 5 strongly disagree … strongly agree
What happens to this organization is really important to me.	1 2 3 4 5 strongly disagree … strongly agree	1 2 3 4 5 strongly disagree … strongly agree
I often think about quitting.	1 2 3 4 5 strongly disagree … strongly agree	1 2 3 4 5 strongly disagree … strongly agree
I don't care what happens to this organization as long as I get my pay cheque.	1 2 3 4 5 strongly disagree … strongly agree	1 2 3 4 5 strongly disagree … strongly agree
I feel badly when I do a poor job.	1 2 3 4 5 strongly disagree … strongly agree	1 2 3 4 5 strongly disagree … strongly agree

PERFORMANCE FACTORS

Most organizations need to measure the key performance factors that affect their well-being. Often there is a strong relationship between organizations that perform well, employee well-being, and the level of shared understanding that exists as to what the key performance factors are. For instance, a manufacturing company may need to be profitable or a public service agency may need to provide a critical service level. What are the key performance factors for your organization? There are no "right" answers. If you don't know, take a guess. If you don't want to guess, then just leave it blank.

Financial - Private Sector Questions

33. Is profitability important to your workplace? yes ☐ no ☐

If yes, how profitable do you think your workplace is?

- Very profitable ☐
- Average profit, could be better ☐
- Not profitable, losing money ☐

Can you state in dollars what the profit was last year? $_____

34. Is revenue important to your workplace? yes ☐ no ☐

If yes, what level is your revenue at vs last year?

- Higher ☐
- About the same ☐
- Lower ☐

35. Does your workplace need to be cost competitive? yes ☐ no ☐

If yes, how well is your organization doing?

- Better than the competition ☐
- About the same as the competition ☐
- Worse than the competition ☐

PERFORMANCE FACTORS continued

Financial - Public Sector Questions

yes no

36. Do you know what the budget is for your program or department? ☐ ☐

If yes, how close to budget do you think your workplace is?

Over budget ☐

Right on budget ☐

Under budget ☐

yes no

37. Is this budget appropriate for the program which your workplace is responsible for? ☐ ☐

yes no

38. Do you know if your financial effectiveness is measured? ☐ ☐

If yes, how effective is your workplace?

Very effective ☐

Could be more effective ☐

Very ineffective ☐

PERFORMANCE FACTORS continued

Productivity - Private / Public Sector Questions

This allows you to assess how well you think your workplace is performing financially. It takes into account the revenue your workplace generates, what it costs to create that revenue and , most importantly, whether your workplace is in a gain or loss position.

39. Is productivity important to your workplace? yes ☐ no ☐

If yes, how productive do you think your workplace is?

- Very productive ☐
- Somewhat productive ☐
- Very unproductive ☐

40. Does the work you do add value to your product or service? yes ☐ no ☐

QUALITY FACTORS

These days, many organizations work hard to ensure that they produce high quality products and services. The authors of this tool believe that the definition of quality extends beyond the issue of products and services to social responsibility and innovation. In other words, a quality organization tends to try to balance its social responsibilities with its objective of providing high quality products and services while remaining a leader in innovative thinking.

Quality - Private / Public Sector Questions

High quality products and services keeps your customers satisfied and increases their confidence in the reliability of an organization. A satisfied customer is a repeat customer: a factor which is essential to ensure the future growth of your organization.

41. Is customer service important to your workplace? yes ☐ no ☐

If yes, how do you think your customers view your service?

- Very well ☐
- About average ☐
- Could improve ☐
- Very poor ☐

42. Is quick response important to your customers? yes ☐ no ☐

If yes, how quickly do you respond to customer requests?

- Very fast ☐
- Average ☐
- Could be faster ☐
- Too slowly ☐

43. How effective are any new products or services in responding to customer needs?

- Very effective ☐
- Average effectiveness, could be better ☐
- Very ineffective ☐

QUALITY FACTORS continued

Innovation - Private / Public Sector Questions

A workplace must also be able to respond to the many changes which occur within and external to it. Most argue that it is important to change and improve. Innovative organizations do not remain satisfied with their level of accomplishment.

44. How quickly is your workplace developing new products or services? yes ☐ no ☐

- Very quickly ☐
- Even pace ☐
- Very slowly ☐
- Not developing any at all ☐

45. How relevant are these products / services to your customers? yes ☐ no ☐

- Very relevant ☐
- Somewhat relevant ☐
- Irrelevant ☐

46. Can you name the new products or services which have appeared in the last year?

_____

_____

47. Have there been changes in how your work is organized? yes ☐ no ☐

If yes, have these changes been positive?

- Very positive ☐
- Little impact ☐
- Very negative ☐

QUALITY FACTORS continued

Social Responsibility - Private / Public Sector Questions

A workplace must also be able to respond to the many changes which occur within and external to it. Most argue that it is important to change and improve. Innovative organizations do not remain satisfied with their level of accomplishment.

	yes	no
48. Is the protecting the environment important in your workplace?	☐	☐

If yes, how involved is your workplace in protecting the environment?

- Very involved ☐
- Minimal involvement ☐
- Not involved at all ☐

49. If your workplace is involved, do you know what the activities are?

_____

_____

	yes	no
50. Is community involvement important to your workplace?	☐	☐

If yes, how involved in the community is your workplace?

- Very involved ☐
- Minimal involvement ☐
- Not involved at all ☐

51. If you workplace is involved, do you know what activities it is involved in?

_____

_____

Social Responsibility - Private / Public Sector Questions

52. How committed are you to your organization?

- Very committed ☐
- Somewhat committed ☐
- Uncommitted ☐

53. How committed is your workplace to you?

- Very committed ☐
- Somewhat committed ☐
- Uncommitted ☐

QUALITY FACTORS continued

Social Responsibility - Private / Public Sector Questions

For those unionized workplaces:

54. How committed are you to your union?

- Very committed ☐
- Somewhat committed ☐
- Uncommitted ☐

55. How committed do you think your union is to you?

- Very committed ☐
- Somewhat committed ☐
- Uncommitted ☐

56. Are you aware of a policy which promotes equality in hiring practices? yes ☐ no ☐

If yes, how effective is this policy in improving the opportunities for disadvantaged groups?

- Very effective ☐
- Sometimes effective, but not consistent ☐
- Very ineffective; policy is rarely followed ☐

THE CHANGE PAGE

If you have been a part of a change process in your workplace, please respond to the questions on this page.

	yes	no
Have you undergone a change process in the last 2 years?	☐	☐

If yes, describe the key elements of the change program.

_____

_____

_____

_____

Did the change process cause problems? If so, briefly describe the most significant problems.

_____

_____

_____

_____

Were the workers involved in the change process:	yes	no
right from the beginning?	☐	☐
in the implementation only but not the concept?	☐	☐
or		
not at all?	☐	☐

7. Action Plan Framework

Authors:

Neil Bradford, Ministry of Labour
John Caplan, Caplan Communications
Gord Falconer, United Steelworkers
David Hughes, Cycletime Management
Eva Innes, Canadian Bankers Assoc.
Bill Jeffery, The CORE Partners
Marty Kaplan, L.M. Kaplan & Assoc.
Grace Lake, Lake Communications
Ann Masson, Ministry of Labour
John O'Grady,
Bob Ramsay, Advance Planning
Tom Rankin, Mansell, Rankin Assoc.
James Toccacelli, Levi Strauss & Co.

Note: *This is an outline or framework for future action to disseminate the Task Force's conclusions and stimulate action. It provides examples of the key steps that could be taken to support initiatives by management, labour, joint labour/management groups and province-wide mechanisms, including government policy and programs.*

It was the subject on extensive discussion at a general meeting of the Task Force and its working groups on April 30,1993. Minutes of this meeting are attached as Appendix A and contain a number of specific suggestions which should also be referred to.The Task Force has not had an opportunity to discuss and agree on the example action steps contained in the Action Plan framework.

We are deliberately describing our proposals as a *framework* for action. While we believe the direction that Ontario should proceed in is clear, the specifics will require additional discussion and investigation. Our framework comprises five elements:

i) support to management
ii) support to labour
iii) support for joint labour/management initiatives
iv) province-wide initiatives
v) communications strategy

1. Support to Management

Examples

- A system to support site visits to recognized change leaders' organizations that would enable seeking firms to choose within their sector and region

- An awards program that would feature not only peer identification of leading organizations, but also financial incentives to award winners to disseminate

their experience

- Support to networks to connect "Best Practice" organizations and also functional networks of line managers, human resource managers and technical staff

2. Support to Labour

Examples

- Policy and program development: provide financial support to unions to cover the costs of a staff resource for up to two years to develop and help introduce new union policies and programs on work organizations.

- Education courses: provide financial support to unions or sectors to develop educational courses or programs on work organization for workers and to deliver them.

- Research support: create a fund (administered through the Ontario Federation of Labour) with a board of labour and academic members to undertake research on work organization issues of importance to the shop floor and related aspects of health and safety and collective bargaining. The fund administrators would also organize conferences for the labour community using the research output.

- Labour Study exchange: Establish a fund (administered by the Ministry of Labour) to enable trade union members active on work organization issues to travel to other jurisdictions and visit innovative organizations

3. Support to Joint Initiatives at a Sectoral or Provincial Level

Examples

- Joint study missions

- Support through the Sector Partnership Fund for the development of joint labour/management training initiatives on work organization

- Encourage framework agreements on either a provincial or sectoral basis to accelerate positive changes in work organization

4. Province-wide Initiatives

An ongoing institution is needed to plan, monitor, advocate and coordinate what needs to happen. This is particularly true over the next few years, until understanding and action have reached the point of becoming self-sustaining in Ontario's workplaces. What is required is central institutional forum to bring senior representatives of the workplace together; an operational service that provides information (see the report of the "Information" Working Group for more details);

a wide range of specific support initiatives, and supportive government policies and programs. Examples are given below.

Examples

- Create an information brokerage service under guidance of a stakeholder board, cross-referring clients to related services

- Mobilize high profile "diffusion champions" such as Premier's Council Task Forces, Premier, Ministers, MPPs, CEOs, labour leaders.

- Publicize successes, inventory case studies, benchmark data, videos.

- Co-ordinate a research program that would be pro-active in deepening the understanding of work organization.

- Coordinate inventory of suitable consultants to assist workplace parties in change process.

- Coordinate regional seminar program engaging community-based resources.

- Capilatize on existing program and policy government initiatives such as economic development programs that can potentially support organizations undertaking work organization change such as the new sectoral partnership fund and the Ontario Innovation and Productivity Service.

- Develop linkages with the Ontario Training and Adjustment Board to ensure support for those attempting to become "learning organizations".

- Support research through the Worker's Health and Safety Agency and the Ontario Worker's Compensation Institute on the potential of reducing workplace injury and illness through improved job design and work organization.

- Modify the tax system to create additional incentives to improved human resource management and training.

5. Communications strategy

In addition to the messages and key actions described above, the Task Force's Action Plan Working Group provided the following advice about getting the message across:

Message

- Do not assume that there is much popular understanding of organizational change or appreciation of its urgency.

Focus

- Focus on providing some "early victories" or success stories that offer tangible evidence that work organization change is both beneficial and possible.

- Tailor materials to individual sectors, and at senior business and labour leadership.

- Recognize the critical importance of the traded manufacturing, resource-based and service sectors, especially management responsible for attracting product mandate investment from foreign parents (who often have corporate quality, productivity or work organization programs), or Ontario-owned business leadership facing serious competitive challenges.

- Recognize the relevance of work organization change in the public sector and knowledge-intensive industries and get the message beyond large, organized workplaces.

Time Frame

- Need both immediate and longer term components to ensure that momentum gained from early victories is sustained through educational activities that support attitudinal and behavioral change across generations.

Appendix I: Minutes

Meeting of the Task Force on the Organization of Work and Working Groups, April 30, 1993

Note:

These minutes contain comments by members on various products of the Task Force and its proposed Action Plan Framework on which there has been insufficient time to come to full agreement and incorporate into the current materials.

Participants

Lorne Ames
Wayne Bender
Neil Bradford
Malcolm Campbell
Gary Carr
Walter Curlook
Ken Delaney
Gord Falconer
Keith Gilbert
Judy Goldie
David Hughes
Bill Jeffery
Grace Lake
Vija Mallia
Ann Masson
Deborah Nixon
John O'Grady
James O'Mara
Steven Offer
Fred Pomeroy
David Robertson
Ron Saunders
Chris Schenk
Gene Swimmer
Bill Thomas
Maritza Tennassee
James Thomas
Scott Tyrer

Staff

Fatima Ferreira
Nick Ignatieff
Lorne Kenney
David Lyon

Introduction:

The Co-Chairs welcomed participants, thanked members of the broader Task Force community for their hard work and outlined the agenda for the day. Lorne Kenney reviewed the accomplishments of the TFOW process so far:

- We are in the process of demonstrating that work organization is important to the economic renewal of the Province.
- We have collected evidence that suggests strongly that not enough organizations in Ontario have recognized this.
- We also have evidence that organizations that have recognized the significance of work organization are reaping rewards -- both workers and employers.
- The Task Force has developed and articulated an understanding of the change process these organizations have gone through.
- It has developed materials that can assist organizations to get started on the change process.
- It is articulating a vision of what the characteristics of the workplace of the future

will be like.
- It has developed an action plan framework to foster work organization change in Ontario.

Agenda for May 21 presentation of Task Force to Council

Nick Ignatieff outlined the proposed sequence of events for the Task Force's presentation to the Council.

Deliverables

Brief reports were then made on each of the "deliverables": Walter Curlook spoke on the Challenge paper, John O'Grady on his paper on the evidence of change, Gord Falconer on the Vision Statement, Keith Gilbert on the Organization Change Process Model, and Deborah Nixon on the Dialogue Tool and case study.

The meeting was opened for comments on all the deliverables. Ken Delaney gave general support for the Action Plan Framework, the O'Grady paper, the vision statement and dialogue tool. He expressed concern about the Challenge Paper as reflecting that the champions of change had to come from management and not giving sufficient recognition to the role of the worker and union initiatives in change.

Dave Robertson spoke on the same theme, noting that while the action plan was supportable and some of the research good, workers want to move away from the reactive mode and negotiate positive change. He argued that the Task Force's evidence is now broader than that referred to in the Challenge Paper and noted that the diagram on the cover can be interpreted to imply that the paper supports reducing the size of the workforce through organizational change. Walter Curlook noted that the Challenge Paper had been endorsed by all the members of the Task Force, including the union members, and had reflected only what the Task Force had seen.

It was agreed that it would be referred back to the Task Force for re-examination. Walter Curlook and Keith Gilbert expressed general reservations about the re-drafted vision statement. Dave Robertson noted that getting agreement on vision and principles is always hard and that we should respect the process we have described in our own documents by ensuring an open dialogue. We should not short circuit the process because of time pressures. Ken Delaney pointed out that the union side wanted to have a vision document that they could be active in supporting with their members. Richard Long noted that Working Group #1 had much heated discussion and worked very hard to come up with the original version of February 25. Some compromises are inevitable to get agreement from both sides.

It was agreed to refer the April 22 draft back to Working Group # 1 for further consideration.

Ministry of Labour's Work Organization Service

Jim Thomas referred to the conclusion the TFOW was drawing of the need for action to promote wider momentum on work organization and for an institutional framework to assist this process. He spoke about the Ministry's Work Organization Service proposal, noting in particular that it must be grounded in a statement of mutually agreed upon principles; be small, flexible and customer driven; not duplicate or displace existing services, but channel public and private resources to foster a network of accessible, action-oriented expertise; and have active support and joint leadership from business and labour in its governance structure and accountability framework. One of the immediate tasks of the Service would be to coordinate the dissemination of the various products of the TFOW.

He asked the meeting in its small group work to address a series of questions:

i) what are the key activities that such a service could provide?
ii) what would be the most effective way to deliver such supports ?
iii) how might it best create and support a network of experienced change agents?
iv) how can the key role of business and labour in the governance of such a service be most effectively organized?
v) what is the best institutional setting or home for the service?
vi) how should it be funded and staffed? and,
vii) are there activities it should avoid?

Action Plan Framework

Grace Lake outlined the highlights of the Action Plan Framework and set the task for the small group discussion to identify what was missing, what the priorities should be and who should have lead responsibility for implementation.

Report from Small Group Discussions on Action Plan

A) What is missing from the Action Plan?

. Legislative and regulatory framework to support process of workplace change
. User-friendly handbook on workplace change models/process
. Subsidies for parties to engage workplace change consultants
. Include work organization as a criterion for access to sector partnership fund
. Linkage with continuous improvement
. Training for front line supervisors
. An action plan for whom?
. Stronger statement of the compelling reasons for change -- economic and social
. Definition of success
. Communications strategy - not fully articulated
. Reaching broad public beyond stakeholders themselves

- Clarity on funding responsibilities
- Role of educational institutions? How to mobilize networks - from early childhood to colleges and universities (in particular business schools, Industrial Relations programs, and engineering)
- A mechanism or process for recognizing high profile, strategic opportunities to advance work organization change agenda - for example, the current Social Contract talks
- Indicate the need within government for cooperation between ministries of Labour and Economic Development and Trade around economic renewal and work organization
- Emphasize the leadership role of government in "walking the talk"
- Find a core "organizing focus" for the Action Plan - i.e., the OTAB proposal was central to the momentum and interest generated around the earlier Premier's Council exercise
- Still need to consider "testing our products" through sectoral or regional networks and associations

B) Priorities

- Need selection criteria to set priorities
- Need to clarify short term vs. long term goals/results
- Develop the "service" proposal - i.e. flesh out design
- Find ways to provide resources to stakeholders "to carry the ball"
- Mobilize joint business-labour leadership at the sectoral level
- More clarity on union's role in work organization, and support for their participation in change process
- Fund graduate study research in work organization

C) Future of Task Force

- Continue educational work and support for work in progress
- Change personnel
- Hear input feedback from Council on May 21
- Revise for final report
- Emphasize that work organization is an ongoing challenge - the TFOW's products are all of a "work in progress" nature

D) The Work Organization Service

- Ownership by stakeholders, funded by stakeholders and government on "an appropriately shared basis"
- Broad client base - a focus on small and medium-sized growth companies
- Establish criteria (with stakeholder participation) to address core questions of location, funding, function
- Develop Code of Conduct for consultants
- Avoid becoming the "consultant of record"

. Include a research function
. Independent structure, reporting via Ministry

Conclusion

Co-Chair Fred Pomeroy thanked the participants for their excellent ideas and comments which would be used to further shape the various products.

DRAFT

Appendix II: Report of the Working Group on "Information" to the Task Force on the Organization of Work

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Note: *The report provides advice on the specific information needs of the workplace parties, on various means of meeting these needs, and on options for where and how such service might be provided.*

The report represents a general consensus of the group,while not necessarily reflecting all the points of view of all those who contributed to its development. It has been received and accepted by the Task Force.

The "Information" Working Group was established from discussion at the general meeting of the Task Force and its working groups on February 25, 1993. Its objectives were:

- to identify the information needs of the workplace parties, existing and potential sources of information and vehicles, including institutions, to get the information to the people that need it; and,
- to determine how the information collected by the TFOW can be made available to ongoing structures to ensure that it is not lost to the workplace parties.

The Working Group met on March 25, and April 7, 1993 and prepared the following report.

1. INFORMATION NEEDS OF WORKPLACE PARTIES

Information can be variously defined to include print and electronic documents, networks of individuals and organizations, and various forms of activities such as education, advocacy, research, and so on. The needs of the workplace parties depend significantly on what stage of work organization they are involved in. Specific needs include the following:

- There is a need for a "filtering" or "orienting" mechanism to help clients pinpoint what they need.

- Who and where are change leaders? Information should be available on a sectoral, provincial, national, international and regional basis; historical and current.

- Where do I get the information I need? No risk, objective information without bias and vested interest -simple easy to read, non business, non academic. How do I get started? Background on Total Quality, etc? What are the cost and time implications for shared power and likely outcomes?

- Information on both on the change process and also on substantive issues linked to change (eg. compensation, training, job security, team work, diagnostic techniques, and so on)

- It should assist clients to interact with individuals or organizations that can provide first hand experience

- Stories of change -- success and, if possible, failure. Who has done it? Likely obstacles and pit falls.

- It should be able to convey what the key success factors are in organizational change.

- What was the initial motivation for change or the "presenting problems" and how do these link to other issues?

- Where is the benchmark data?

- What services and support is provided by which government agencies.

- It should provide an inventory of consultants who have credible experience in joint change processes. Another useful product would be a statement of ethical practice for change process consultants and their clients.

- It should conduct advocacy on the importance of work organization (why one should care about the organization of work)

- Develop and maintain an inventory of audio/visual tools

- Develop and maintain an inventory of financial support sources.

- Information on objective, low cost education events without bias.

2. THE PROCESS OR VEHICLES FOR MEETING THE INFORMATION NEEDS

Information can be viewed as "passive" or user oriented, or "active" -- supplier oriented. The former is served through a clearinghouse function, while the latter is more of an education or advocacy function. The group was of the view that the clearinghouse function was top priority. A range of factors were discussed that would determine the shape of a delivery vehicle for providing information to those who need it. Key among the items identified by the group were focus and size. Such a service should be available to all parties; it should be small, focussed, and accessible; it should make full use of modern electronic technologies for ease of access; and it should attempt to become financially self sufficient over several years.

- There is a need for continuity of the information bank function (not another centre with limited life whose information resources are lost to clients).

- Such a brokerage service should be a highly interactive working community connected to the broader environment. For instance, it should have close relationships and cross refer clients to related services such as the new Ontario Innovation and Productivity Service of the Ministry of Economic Development and Trade.

- It should be broadly available to clients (unorganised as well as organised).

- It should identify and serve labour needs, as well as management's: locals, affiliates, central organizations.

- The service should respond to the needs of clients rather than be proactive in stimulating demand.

- It will need to have well articulated values determined by its governing structure and operate consistently with them

- Follow up should be made with clients of the different agencies that existed in the recent past with similar objectives (such as the federal "Quality Serve" program, and the Labour Canada and Ontario Ministry of Labour quality of working life programs) to determine their strengths and weaknesses and the lessons that can be learned from their experience.

- While the range of needed functions can include all those identified below, the service should begin with and efficient brokerage function and rely on the governance structure to identify other delivery vehicles or sponsors for functions such as education events, and so on.

  - Research library
  - Maintaining information on what is happening nationally and internationally
  - Information on networks for change

- Organizing conferences for professionals
- Running a support network for in house professionals & facilitators
- Providing telephone contact to experts
- Service models such as SkillsLink (Ontario Training Corporation), Micromedia (for profit), information detective work, electronic bulletin boards
- Develop networks with teachers secondary and post-secondary)
- Develop networks to connect with Best Practice organizations and with functional networks such as line managers, human resource managers, etc.
- Identify "champions"
- Education system link

3. LOCATION, OWNERSHIP AND GOVERNANCE

An information brokerage service should operate under the guidance of a stakeholder board composed of equal labour and management with some government presence to represent the public interest. Prospective members of such a stakeholders' board could advise the Government on the most appropriate home or institutional setting for the Service.

Possible locations identified included:

- The Ministry of Labour
- The Ministry of Economic Development and Trade
- An entity created from both these ministries
- The Ontario Training and Adjustment Board
- A scheduled crown agency which is arms length from government (potentially self sustaining),
- An entity connected to one or more university centres of management studies and or centres of industrial relations
- The Premier's Council on Economic Renewal

Whatever the ultimate placement decision, the success of the venture will depend on the active joint support and cooperation of the ministries of Labour and Economic Development and Trade.

The governing or advisory stakeholder body could become a central source of advice to the Government on work organization issues, It could also provide advice to the stakeholders concerning the nature and location of support and promotion activities (other than information brokerage) that should be undertaken.

(26/4/93)

Draft

Appendix III: Survey on Barriers and Avenues for Organizational Change

Report of Findings for the
Task Force on the Organization of Work
Working Group #3

February 21, 1993

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Note: *This is a report on a telephone survey of experienced managers and labour officials on barriers and avenues to change in the organization of work conducted by the Task Force's working group on Strategy in February 1992. It contains suggestions for action by business, labour and government.*

The Survey was undertaken by members of the working group and the survey data was compiled, analyzed and written up by Christine Su Chan, graduate student at the Faculty of Management , University of Toronto. I t was undertaken as necessary background work for developing an action plan and was received by the Task force as such. It is noted by some Task Force members that the survey sample is not entirely representative of the range of views of the labour movement.

Executive Summary

The Task Force on the Organization of Work concluded that one of the key aspects of its report to the Premier's Council on Economic Renewal would be recommendations about what business, labour, government and other institutions such as education, should do to encourage and support the process of constructive change and renewal in work organization. To achieve this, it needed a clear understanding of the factors that limit and enable change, both at the level of individual organizations and more generally in the Province. A telephone survey instrument (attached) was developed, consisting of 23 questions — seventeen directed to the change process within a particular organization and six pertinent to union staff representatives. The intention was to reach a sample of senior line managers from organizations that had engaged in change, the local union

counterparts they identified, a sample of senior labour staff from central union organizations, and also, to survey consultants engaged in the change process using consultant members of the Task Force's community of working groups. In the first half of February, interviews were conducted with seventeen senior managers, four local union representatives, nine union staff representatives, and one consultant. The results of the survey responses are summarized below.

Respondents indicated three main motivations for change. These are employee-related, customer-related and competitive reasons. The most frequently cited impetus was a shift in a company's business strategy to reflect more focus on customer satisfaction.

Innovations introduced in the workplace were aimed primarily at redesigning the structure of work processes. A secondary reason was to reflect new organizational philosophies of the treatment of workers. Labour's position on these workplace changes varied across a broad spectrum from conditional support, through no formal position, to negative.

The majority of these change efforts were initiated by one or more members of the senior management team. Involvement and accountability for the changes, once initiated, ranged in these organizations from everyone in the organization to only members of senior management. The role of leadership was seen to be critical for the success of these change efforts.

Over half of the organizations reported using similar structures for implementing change. These were steering and working committees. Membership on these committees varied depending on the organization. In some organizations, committees were comprised of only management personnel, while in others, all levels in the organization, including union members, were represented on the committees. Respondents suggested some external factors which would have been helpful for them to implement change — user friendly information and financial assistance from government were the most frequently cited.

In two-thirds of the organizations sampled, union-management relations prior to the change implementation were average to adversarial. After the implementation of the changes, only one organization reported worsened relations between union and management. The primary reason for the improved relations was the increased dialogue between the two sides.

The barrier most frequently reported by business respondents to successful change implementation was the attitude of employees and the inability of employees to accept the new roles required by the changes. The most frequently offered suggestion for removing the barriers and for diffusing changes in the organization of work is information. Both business and labour proposed that the publicizing of success stories from business and labour perspectives would help to spread the benefits of changes in the organization of work.

While there are limitations on the conclusions that can be drawn from this survey, the findings are compatible with those of the Workplace New Zealand report of September, 1992 on organizational change. Ideas suggested by survey respondents can be used with confidence to develop strategies for diffusing changes in work organizations in Ontario.

I. Introduction

The questionnaire administered to members of the Canadian business and labour communities by the Task Force on the Organization of Work in February, 1993 sought to determine the main barriers to the implementation of change and ways to overcome these barriers. In attempting to reach these answers, the survey first attempted to determine the reasons for the changes, the nature of the changes made to the organization of work, the identity of those who were responsible for the change, and the methodology or process used to implement change. Once these factors were determined, barriers and methods of diffusion were then identified. seventeen members of the business community, nine national labour organizations, four union locals, and one consultant provided the responses summarized in this report.

II. Motivation for Change

Reasons cited for implementing workplace changes can be identified as falling into three categories: (i) employee-related, (ii) customer-related, and (iii) competition. All of the respondents cited more than one motivation for the change implementation in their organizations.

Employee-Related

Companies surveyed decided to implement workplace changes because they wanted to increase innovation, improve employee satisfaction, decrease employee turnover and absenteeism, or improve union-management relations. Several respondents noted that pressure from a new Chief Executive Officer (CEO) or from corporate headquarters (HQ) motivated the change.

Customer-Related

By far, the most popular motivation for change was a shift in the company strategy's for doing business: one-third of the respondents justified the implementation of change as a way of reorienting their businesses to be more customer focused. Concomitant with this business re-focusing, companies wanted to improve quality, produce new products, reduce costs, increase revenues and raise profitability.

Competition

Two of the respondents cited the need to survive as the impetus for change

implementation while another two cited the need to gain a competitive edge. For these organizations, change was implemented in a time of actual or potential crisis when the short and long-term viability of the company depended on the success of the reorganization of work practices. Underlying the survival and competitive motive was the need to respond to poor economic conditions.

III. Types of Workplace Innovation

A variety of new work practices were cited by the respondents which can be classed under the categories of structural redesign and re-fashioned philosophies of worker treatment. These redesign efforts occurred in a mix of greenfield and "brownfield"[1] sites.

Structural Redesign

The primary means by which organization structures were altered was through redesigning business processes, in accordance with methods such as Total Quality Management (TQM), Just-In-Time manufacturing and Socio-technical work design. By making employees responsible for completing an entire process rather than just isolated parts of it, these organizations also had to change the way in which employees interacted with each other, superiors and technology. Programs to introduce self-directed or semi-autonomous work teams and, in general, to empower staff, were undertaken by over two-thirds of the respondents.

New Philosophies of Worker Treatment

New approaches to the treatment of workers that were used by respondents included quality of work life programs, gain sharing programs, and employee-centred management.

Reported Labour Position on Workplace Change

The reported views of labour on workplace change varied from extreme wariness to qualified support. One national union and two union locals reported a militant or very wary position. The reported position of other national unions was no position, studying the issue, or supportive as long as the programs had the expressed goal of job or worker empowerment and collective union empowerment. Other positions reported by local union representatives were under examination or supportive. No labour representative, national or local, reported an actual position of embracing change without criticism.

One national labour respondent indicated a perception that there were three positions the labour movement had on workplace change: those who embraced it

1. These sites were described by one of the respondents as those organizations that have an embedded history, culture and practice.

without criticism, those who were strongly opposed to it but were ultimately willing to support it as long as union and employee rights were not compromised, and those who simply ignored the issue.

One-third of the national labour representatives thought that labour, in general, ignored or had no position on the issue. Over half of the national labour respondents reported that they perceived that other unions had adopted a hard line or militant position against work organization changes although only one of the national unions actually reported having a militant position. As one national labour representative stated, "Some unions do not believe it is possible to be both a good team member and as good a union member, or both a good union person and a good company person".

Half of the national labour respondents and one-third of the local union representatives also thought that labour, in general, did perceive that the union movement was beginning to recognize the need to be involved. The perception for these labour respondents was that there is less "fence-sitting" and that more unions need to be active — either in acting with the employer or in resisting them. Another national labour respondent noted that work reorganization is perceived either to be a bad idea (because of the risk of co-optation) or to be inevitable, since the idea of empowerment is attractive to working people. One local union representative stated that labour had to participate and had to have a big role in the change process. According to him, "The union movement has to realize that this is the new way of doing business, but labour has to maintain control of its destiny".

IV. Participants

Initiators

In a majority of cases, the changes were initiated by top management consisting of one or all senior executives — Chairman, CEO, Chief Financial Officer (CFO), Chief Operating Officer (COO). In individual cases, change was instigated by a coordinator of TQM, an outside consultant, an elected public official, corporate HQ, and a combined labour-management committee.

Involvement

Once the idea for change had been firmly planted, companies then used internal constituents to plan, coordinate and implement the workplace changes. The degree of involvement of these constituencies varied considerably, from being informed only of the changes to being given full participatory rights in the formulation of the new corporate vision. The type and number of employees involved in the process also varied and ranged from everyone in the organization to senior management only. In over half of these cases, labour was actively involved in the change process through representation on steering and working committees established for varying purposes, such as joint union-management problem solving and total quality. Management respondents for some organizations indicated regret that the union

had not been involved from the inception of the process.

Accountability

Personnel from all sections of the organization participated in the change implementation by serving on committees that were either established for the specific purpose of implementing the changes or which had been in existence already prior to the change process.

Personnel cited as being accountable for the changes were as follows:

- Chairman, President and other senior executives including CEO and COO
- Dean
- Vice-Presidents (Human Resources, Logistics, line functions)
- Assistant Deputy Minister
- Plant Manager
- Everyone
- Special committees set up to oversee the process
- Management as a whole
- Line supervisors

Leadership

Leadership was perceived by all as critical to the success of the implementation. In some of the organizations, when the main change agent or initiator of change left or was replaced, the change effort ended. Specifically, the function of leadership was seen as important for providing visible support, for articulating a clear and compelling vision and need for change, and for maintaining a stable management team during the change implementation process. Respondents also expressed the danger inherent in focusing leadership on only one or two key players for when these individuals left, the change effort risked termination. As one local union representative noted, change must be a top-down process from both the union and management working together since union members look for leadership from the top.

Labour Perspective

All labour respondents reported that while labour involvement varied, their unions were either proactive or were engaged in a continuing dialogue with management. In none of the organizations surveyed was the initiative for change suggested by the union. In all cases, management instigated workplace reorganization. Labour was put in the position of having to respond to these initiatives.

The reported degree of proactivity of the national and local unions varied considerably from immediately after management presented the change initiatives to never proactive. Depending on the organization, labour's role in the process was

to begin negotiations immediately after management had presented the initiative, as was reported by one local union representative, or to be informed only, in a management driven process, as was reported by one business respondent.

V. Process for Implementing Change

The process used by the consultant to implement change was a four-step initiative:

- Evaluate the existing situation;
- Envision the desired future;
- Implement the change through empowerment; and
- Maintain the process aiming at excellence

Organizations surveyed implicitly used this process. The vehicles for formulating this process occurred in two types of committees:

- Steering Committees composed of varied constituencies. In some organizations, these committees were all-management; in others, they represented a vertical or diagonal slice of the organization or were comprised of a combination of union and management personnel. The role of the Steering Committees was to give direction, set goals, provide resources and protect the change program. Over half of the respondents mentioned the usage of these Steering Committees.

- Working Committees, of similar personnel composition, were responsible for managing the overall projects. These committees could take the form, for example, of Design Teams, Teamwork Advisory Committees or Project Teams. Over half of the respondents also mentioned usage of these types of committees.

Union-Employee Involvement

Business and local union respondents listed the ways in which unions in their organizations were involved in the implementation process.

- Management negotiated or communicated with the union from the very start of the program
- Union participated on the Steering Committees
- Union was involved in creating the vision
- Union was on Working Committees
- Union was asked for input and responses to ideas
- Union was brought in later
- Union was informed but not asked

Over half of the respondents indicated that management had communicated with the union from the start, while only one business respondent mentioned that the

union was informed but not asked. Some of the business respondents expressed regret at not having brought the union into the process earlier.

In organizations without unions, employee involvement was sought by having committees composed of vertical slices of the organization, already established internal committees, skip-level meetings, and employee surveys.

External Factors Useful for Implementing Change

To gain information and assistance on how to implement change in their organizations, over half of the respondents' sites used outside consultants. Other means used to gather information were conferences, visits to other companies, newspaper and journal articles, and usage of benchmarking information.

Business and labour representatives also cited information or resources which they believed would have been helpful but which was not available. These are:

- Tax incentives or other financial assistance from government
- Information on "best practices", criteria or a "how-to" manual for a change program
- More dissemination of user friendly information by government
- Directory of management consultants
- Removal of time-consuming and convoluted government paper work that is required for available assistance programs

VI. Effects of the Change Process on Union-Management Relations

Relations Prior to Change

About two-thirds of organizations with a unionized work force reported having average to adversarial relations with their unions prior to the change while one-third reported amicable or excellent relations.

Relations After Change

All except one organization reported improved union-management relations after the change process, regardless of whether these changes had been successful or were still ongoing. Respondents noted decreases in the number of grievances filed, improved employee social and problem solving skills, and a stronger union focus on organization needs.

Changes in the Roles of Union and Management

The principal reason for improved union-management relationships appears to be the increased dialogue and mutual problem solving by union and management that was motivated by the changed roles of management and labour. Almost one-half of

the respondents cited these role changes. Other organizations reported the involvement of one local union President in training, union member involvement in thinking about the change issues, and local representatives changing the union "paradigm". One local union representative indicated that management was on the shop floor more often after the change than before. Another noted that senior management was more accessible, but there was no real change on the part of middle managers.

Factors to Increase Labour Support for Changes

National labour representatives noted that education was needed to assist both labour and business. Other methods suggested by national and local union representatives to increase labour support for change include management's commitment to bargain with unions to disclose information on human resources, training, and work organization issues; information on the consequences of changes on health and safety; guarantees on employment; and, training to acquire skills and knowledge of work organization issues at a neutral site. An example of one such site that was mentioned is the School for Workers at the University of Wisconsin.

Labour representatives emphasized that the specific type of training required was skills-oriented training, and training designed to break down stereotypes and perceptions of work reorganization. Labour also indicated that the training must be accompanied by time off and funding from the government.

Negative Effects of Change

With the exception of one local union representative, all of the respondents (business, labour, and consultant) reported negative impacts from the change program. The most commonly cited problem was the inability to enlist the support of everyone in the organization. Consequently, one-third of the organizations surveyed reported having employees who could not change and who had to leave the organization. Other negative impacts of the changes cited are as follows:

- Financial resources needed to be devoted to the change program
- Initial productivity declines
- Fear of failure
- Personal Stress
- Unfulfilled expectations
- Sabotage

Measurement of Effectiveness

The most popular measuring instrument for assessing the success of the change was feedback on employee attitude surveys. Other measures used to assess success are as follows:

- Productivity
- Customer satisfaction
- Quality
- Financial (revenue growth, profitability)
- Existence (survival)
- Employee relations (grievances, absenteeism, turnover)
- Workplace health and safety

Long-Term Effects

Corresponding to the measures of effectiveness used by the organizations are the long-term goals to be achieved by the change process:

- Survival
- Financial health (profitability, increased revenue, reduced costs)
- Competitiveness (increased productivity, improved quality)
- Employee relations (improved union-management relations, improved quality of work life and health and safety, decreased layers of middle management)

VII. Barriers to Change

Over half of the organizations reported that a significant barrier to effective change implementation was the attitude of employees and the refusal or inability of employees to accept new roles required by the changes. The most resistant members of these organizations were the front line supervisors and middle managers. The following are other barriers mentioned by respondents:

BARRIER	SPECIFIC REASONS CITED BY BUSINESS AND LABOUR RESPONDENTS
Financial	· Training on new ways to work and to learn new roles costs money · Limited financial resources
Political	· "Turf Wars" · Trying to change people instead of the process · Mistrust of management intentions and third-party involvement · Basic contradiction of labour-management interests · Lack of recognition that unions have a role to play · Employer suspicions
Economic	· Fear of job losses · Initial productivity declines
Motivation	· Confusion about the reasons and goals of the change program · Union suspects changes are really neo-Taylorism · Why change? · Lack of knowledge about the benefits of co-operation
Performance Management	· How to measure effects of change · Problems with ineffective performance management systems · Need for new reward systems · Need to redeploy existing systems (information, financial)
Commitment	· No executive or middle management support · Management turnover · Management unwilling to involve unions in a meaningful way · Lack of perseverance · Changes are not far-reaching enough · Freezing after initial change, no tolerance for continued change · Lack of employee interest
Time	· Management impatience with the pace of change · Employee (union and non-union) stress due to rapid change · Loss of momentum · Time required for all changes to be implemented · Difficult transition phase

VIII. How to Overcome Barriers to Diffuse Change

The most frequently cited means by which change can be diffused is through the publicizing of successes:

- awards of excellence
- low-cost conferences
- networking
- associations
- education
- government sponsored media campaign

These were points of agreement between business and labour respondents. Both also agreed that government had a role to play in diffusion, although they differed somewhat in their views on implementation.

Role of Government

BUSINESS	LABOUR
Change labour legislation to eliminate "win-lose" situations, decrease adversarial nature of labour-management relationship	Change current labour legislation to force management to relinquish management rights
Change legislation to broaden accountability to all, not just supervisors and management (specific references to health and safety issues)	Provide accurate and independent assessment of change, don't just cheerlead
Provide forum for cooperation among business-labour-government	Sponsor dialogue between the two sides
Develop a wealth creation and sharing model within society	Establish a social contract at the macro level and establish rules and responsibilities for all parties
Provide tax incentives or other financial assistance for change programs	Provide financial resources to redress tremendous imbalance between business and labour resources (e.g. for education, training, travel, time-off, consultants)
Industrial vision for Ontario developed by tri-partite process	Provide additional resources for research on technology adjustment (e.g. Technology Adjustment Research Program)
	Government recognition that labour needs to be involved and that people are the most valued resource

	Provide free government or independent, tri-partite consultants, establish a code of conduct for consultants
	Establish tri-partite resource centre dealing with change issues

Business and labour also had suggestions on how each could help to overcome the barriers:

BUSINESS SUGGESTIONS TO LABOUR	LABOUR SUGGESTIONS TO BUSINESS
Union to share in responsibilities	Management to allow real participation in training programs, build meaningful partnerships
Labour support is required	Management needs to talk to labour more, given the current economic climate
Labour and management need to eliminate mistrust between the two sides	Management must show largesse to workers, must not force changes, guarantee job security, raise level of honesty
	Plan for the long term
	Outcome must be perceived to be beneficial
	Sectoral bargaining/consultation between labour and management
	Supplemental social contract between management and labour at local levels is needed

Recognition that change is needed and stimulation of new thought processes were also suggested.

IX. CONCLUSION

Information from respondents to the survey provide some concrete ideas for strategies that can be used to develop methods for diffusing change in work organizations. While the results of the survey may not be representative of all business and labour organizations in Canada due to the small size of the sample, the results are, nevertheless, congruent with the findings of the recent Workplace New Zealand conference[2] on organizational change and can, therefore, be acted upon with confidence.

2. Workplace New Zealand. Report of 1992 Workplace New Zealand Conference. Rotorua, New Zealand. September 1992.

ANNEX A

TELEPHONE QUESTIONNAIRE ON BARRIERS AND AVENUES FOR DIFFUSION OF CHANGE IN THE ORGANIZATION OF WORK

INTRODUCTION

The questionnaire is intended to give Working Group # 3 a reliable base of information representing the experience of business and labour on the barriers and avenues of diffusion so that the group's recommended strategies to support change can be solidly based in experience.

It is recognized that there are both barriers and opportunities or enabling forces within any organization that will either impede or facilitate change. The questions for the most part apply both to change and to diffusion. A sound understanding of each will assist in the diffusion of effective change strategies at the sectoral and provincial levels.

QUESTIONS

BACKGROUND

1. WHAT WORKPLACE INNOVATIONS HAVE BEEN UNDERTAKEN IN YOUR ORGANIZATION TO IMPROVE ITS EFFECTIVENESS? WERE THE CHANGES IN AN EXISTING ORGANIZATION OR A "GREEN FIELD" SITE?

2. WHAT WAS THE MOTIVATION OR IMPETUS OF THE CHANGE INITIATIVE IN YOUR ORGANIZATION?

LEADERSHIP AND PROCESS

3. WHO WAS INVOLVED?

4. WHAT HAS BEEN THE PROCESS AND STRUCTURE USED FOR THIS CHANGE INITIATIVE?

5. WHO IS RESPONSIBLE AND ACCOUNTABLE FOR THE CHANGE PROCESS?

6. WHAT HAS BEEN THE ROLE OF LEADERSHIP (LABOUR AND MANAGEMENT)? WHAT HAPPENED WHEN ANY OF THE KEY PLAYERS CHANGED?

7. (A QUESTION FOR MANAGEMENT) IF THERE IS A TRADE UNION, WAS THE UNION INVOLVED FROM THE OUTSET OR WERE SOME STEPS TAKEN BEFORE THE UNION'S INVOLVEMENT WAS SOUGHT OR OBTAINED?

8. IF THERE WAS NO TRADE UNION INVOLVEMENT, WAS A MECHANISM ESTABLISHED TO OBTAIN EMPLOYEE INPUT?

9. WHAT WAS THE LABOUR/MANAGEMENT CLIMATE PRIOR TO THE CHANGE PROCESS? HOW HAS IT CHANGED? HOW HAVE THE UNION /MANAGEMENT ROLES CHANGED? WHAT IS THE RELATIONSHIP BETWEEN THE CHANGE PROCESS AND THE REGULAR COLLECTIVE BARGAINING PROCESS?

BENEFITS AND BARRIERS

10. WHAT ARE YOUR ORGANIZATION'S LONG TERM GOALS THAT ARE SUPPORTED BY THIS CHANGE PROCESS?

11. HOW IS PROGRESS MEASURED? BY WHAT CRITERIA? WHAT ARE THE MAJOR BENEFITS OR SUCCESSES?

12. WERE THERE NEGATIVE IMPACTS AND IF SO, WHAT WERE THEY?

13. WHAT ARE THE THREE MOST SIGNIFICANT BARRIERS YOU HAVE ENCOUNTERED (IN ATTITUDES, STRUCTURES, SYSTEMS, LEADERSHIP, MESH WITH OVERALL STRATEGIC PLAN, RESOURCES, ETC.)? WERE THERE OBSTACLES YOU COULD *NOT* OVERCOME?

14. WHAT ARE THE 3 MOST SIGNIFICANT BARRIERS YOU HAVE ENCOUNTERED IN SUSTAINING THE CHANGE (IN ATTITUDES, STRUCTURES, SYSTEMS, LEADERSHIP, MESH WITH STRATEGY, RESOURCES, ETC)?

DIFFUSING THE CHANGE PROCESS

15. WHERE DID YOU FIND OUTSIDE ASSISTANCE THAT HAS BEEN OF USE TO YOU IN THE CHANGE PROCESS? ARE THERE THINGS THAT THE GOVERNMENT COULD HAVE DONE TO ASSIST THE PROCESS ?

16. WHAT THREE THINGS WOULD YOU SUGGEST AS LIKELY TO MAKE THE BIGGEST IMPACT ON DIFFUSING CHANGE IN WORK ORGANIZATIONS IN ONTARIO THAT COULD BE UNDERTAKEN BY BUSINESS, LABOUR AND/OR GOVERNMENT?

17. WOULD YOU BE WILLING TO PARTICIPATE IN A FOCUS GROUP OF INDIVIDUALS TO DISCUSS THE RESULTS OF THIS QUESTIONNAIRE AND ASSIST IN DRAWING CONCLUSIONS ABOUT THE NEXT STEPS THAT THE TASK FORCE MIGHT TAKE OR RECOMMEND ?

ADDITIONAL QUESTIONS FOR LABOUR REPRESENTATIVES

18. HAVE YOUR UNION'S LOCALS BEEN INVOLVED IN CHANGE PROJECTS IN A REACTIVE OR PROACTIVE ROLE?

19. WHAT IS YOUR UNION'S POSITION ON WORK ORGANIZATION?

20. HOW DO YOU SEE LABOUR'S POSITION ON WORK ORGANIZATION IN ONTARIO?

21. WHAT WOULD BE REQUIRED TO SUPPORT A MORE ACTIVE ROLE BY LABOUR(MORE GENUINE INVOLVEMENT, FINANCES, KNOWLEDGE, OTHER RESOURCES,?)

22. WHAT DO YOU SEE AS THE MOST SIGNIFICANT BARRIERS TO INCREASING ORGANIZATIONAL CHANGE AND HOW CAN THEY BEST BE OVERCOME?

23. WHAT DO YOU SEE AS THE GREATEST OPPORTUNITIES FOR DIFFUSING ORGANIZATIONAL CHANGE?

21/1/93

Appendix IV: Highlights of Government Officials Focus Group Meetings on Barriers and Avenues to Change February 8 and 10, 1993

Authors:

Summary prepared by Nicholas Ignatieff and Margaret Butteriss from the comments of the participants listed at the end of this appendix.

Note:

In February, 1993, the Task Force's Working Group on Strategy organized two focus groups with senior officials with experience as change agents (primarily from government), to obtain their reflections on what helps and what hinders the change process and on the role of government in such a process. This is a brief summary of their conclusions.The meetings were undertaken as necessary background for developing an action plan and they were received by the Task Force as such.

1. Opportunities for Promoting Change

- need a clear sense of the social and individual cost of not changing
- pressure to delayer opens systems to change
- crises open the mind to fresh options
- funding for small initiatives is helpful
- partnerships with existing groups and networks is essential
- create one-stop shopping for clients' needs
- encourage participation between program staff and clients
- develop decentralized, responsive decision making in program delivery
- ethics is at the core - you have to be consistent and open
- you have to work at building trust
- the process is as important as the product

2. Barriers to Change

- need to recognize that there are legitimate roles to play in change
- lack of vision
  - who can think long term?
  - create vision by restructuring
  - apprenticeship - stability of leadership
  - need shared vision
- too many layers and forms of government
- demoralization of public sector - freeze in attitude
- benchmarks: what are criteria, measures and structure for success?

- social characteristics: what are they?
- age and seniority: why do we have status quo?
- HR staff - secretive, reactive; what type of people are needed?; planning and policy issues

3. **Issues**

- skills development for workers is crucial, both to get the skills and legitimise thinking and acting on what you know
- from the agricultural community we see the importance of a strong family culture in adapting to change
- farmers have a 60-year tradition of continuous training
- women in the sector are seen as equal partners and are effective change agents
- agriculture is accustomed to making changes now for returns over a long time frame
- building new institutions can be done (as in the case of OTAB's new consultation stakeholder groups gathering visible minority, trainers and other interest groups for the first time) but the process requires time, sensitivity and high energy. Trust does not come easily
- You need to begin with good facts/good science/good data base, to get people's attention and create a willingness to make change
- from that you can challenge people's belief systems. This was challenged by the perspective from the equity community that you have to change behaviour first and this leads to slow acceptance and shift in belief and values. It was pointed out that you have to push back the old attitudes somewhat in order to create the tolerance to introduce the situations that cause the first small behaviour shifts
- you have to make the connection to the economy (amateur sport - 16-billion a year)
- capitalize on the power of the "new" groups - women and disabled persons as a key resource for change. They know the cost of the status quo

4. **Advice to the Task Force on the Role of Government**

- win-win social negotiation in order for government to design, support, and reinforce stakeholders in planning and implementing change
- legitimize different roles/parties
- bring together different stakeholders
- trust is an outcome
- design work system:
    - Funding: labour, management, government, process mediation
    - Education: consultant role, where to get resources
    - Model: what should governments do
- fear of government intervention in workplace
- put networks together, communicate effectively, educate and inform
- support HR changes — grants
- role of government is to challenge, take initiatives, develop crossovers between

ministries, and overcome inward looking silos
- role should include:
  - taxes — under-utilized
  - networking to effect change
  - decentralization
  - needs to be integrated in its approach
  - identify and address work organization as a public health issue
  - planning and implementing policies
  - different duties to bring about change
  - why intervention; what form should it take?
  - facilitator, building knowledge
  - legislative, policy developer
- government should not encourage from the sidelines, but get onto the field
- the alternative view was also strongly expressed — government has the unique ability to call the game from the press box. They also represent the public interest and must take the leadership or catalyst role
- you need to maintain credibility and integrity above all
- get lots of little things moving — pilots, etc.
- each potential audience needs its own credible source of information and support. They need to feel it has local validity — "our data base"
- you have to start by finding the people who are"almost there" and combine the anecdotal with the big picture
- you have to set up sponsor/spin-off groups to spread the word
- identify and form the strategic alliances and find the like-minded champions
- there will be mistakes and embarrassments and that has to be acknowledged at the outset
- some argued that you can't be too explicit about what "it" is. Others felt that in the instance of work organization, it was critical to be clear what it was and what it wasn't
- lifelong learning should be an essential long-term strategy so that future generations of workers will be able to play a full role in the change process and know what to expect. An innovative program was cited where the whole family attends a literacy program in the factory workplace. Employer sponsored parent-child meetings are another example
- some were sensitive to the limits of the government's role and felt that the major levers of tax, grants and loans were very risky
- discussion of vision and values was a valuable integrating process that people can understand
- break the message into chunks that people can understand
- there is no one strategy - you have to do it all!

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Task Force on the Organization of Work
February 8 and 10, 1993

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as of May, 1993

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Participants in TFOW Working Groups Process

This list identifies the members of the various working groups of the Task Force. Almost all were multiply committed and over-extended, so the extent of their participation varied over time. Their extensive experience in the subject matter and process skills enabled the working groups to keep moving forward with an ever changing attendance.

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Ontario. Task Force
on the Organization
of Work.

Meeting materials.

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